PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 505 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIFTH SESSION OF THE FIFTY-FOURTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2009–2010

COMPRISING PERIOD
1 February 2010—10 February 2010

HER MAJESTY'S GOVERNMENT

MEMBERS OF THE CABINET

(Formed by the Rt. Hon. Gordon Brown, MP, June 2007)

Prime Minister, First Lord of the Treasury and Minister for the Civil Service—The Rt. Hon. Gordon Brown, MP
Leader of the House of Commons, Lord Privy Seal and Minister for Women and Equality—The Rt. Hon. Harriet Harman, QC, MP
First Secretary of State, Secretary of State for Business, Innovation and Skills and Lord President of the Council—The Rt. Hon. Lord Mandelson
Chancellor of the Exchequer—The Rt. Hon. Alistair Darling, MP
Secretary of State for Foreign and Commonwealth Affairs—The Rt. Hon. David Miliband, MP
Secretary of State for Justice and Lord Chancellor—The Rt. Hon. Jack Straw, MP
Secretary of State for the Home Department—The Rt. Hon. Alan Johnson, MP
Secretary of State for Environment, Food and Rural Affairs—The Rt. Hon. Hilary Benn, MP
Secretary of State for International Development—The Rt. Hon. Douglas Alexander, MP
Secretary of State for Communities and Local Government—The Rt. Hon. John Denham, MP
Secretary of State for Children, Schools and Families—The Rt. Hon. Ed Balls, MP
Secretary of State for Energy and Climate Change—The Rt. Hon. Edward Miliband, MP
Secretary of State for Health—The Rt. Hon. Andy Burnham, MP
Secretary of State for Northern Ireland—The Rt. Hon. Shaun Woodward, MP
Leader of the House of Lords and Chancellor of the Duchy of Lancaster —The Rt. Hon. Baroness Royall of Blaisdon
Minister for the Cabinet Office and for the Olympics, and Paymaster General—The Rt. Hon. Tessa Jowell, MP (Minister for London)*
Secretary of State for Scotland—The Rt. Hon. Jim Murphy, MP
Secretary of State for Work and Pensions—The Rt. Hon. Yvette Cooper, MP
Chief Secretary to the Treasury—The Rt. Hon. Liam Byrne, MP
Secretary of State for Wales—The Rt. Hon. Peter Hain, MP
Secretary of State for Defence—The Rt. Hon. Bob Ainsworth, MP
Secretary of State for Transport—The Rt. Hon. Lord Adonis
Secretary of State for Culture, Media and Sport—The Rt. Hon. Ben Bradshaw, MP

DEPARTMENTS OF STATE AND MINISTERS

Business, Innovation and Skills—
Secretary of State—The Rt. Hon. Lord Mandelson §
Ministers of State—
Minister for Business, Innovation and Skills—The Rt. Hon. Pat McFadden, MP
Minister for Science and Innovation—The Rt. Hon. Lord Drayson §
Minister for Regional Economic Development and Co-ordination—The Rt. Hon. Rosie Winterton, MP (Minister for Yorkshire and the Humber)* §
Minister for Trade, Investment and Small Business—The Lord Davies of Abersoch, CBE §
Minister for Higher Education and Intellectual Property—The Rt. Hon. David Lammy, MP
Minister for Further Education, Skills, Apprenticeships and Consumer Affairs—Kevin Brennan, MP §
Parliamentary Under-Secretaries of State—
The Rt. Hon Stephen Timms, MP §
The Lord Young of Norwood Green
Ian Lucas, MP

Cabinet Office—
Minister for the Cabinet Office and for the Olympics, and Paymaster General—The Rt. Hon. Tessa Jowell, MP (Minister for London)*
Minister of State—The Rt. Hon. Angela E Smith, MP
Parliamentary Secretary—Dawn Butler, MP

Children, Schools and Families—
Secretary of State—The Rt. Hon. Ed Balls, MP
Ministers of State—
Minister for Children, Young People and Families—The Rt. Hon. Dawn Primarolo, MP
Minister for Schools and Learners—Vernon Coaker, MP
Kevin Brennan, MP §
Parliamentary Under-Secretaries of State—
Iain Wright, MP
The Baroness Morgan of Drefelin
Diana R Johnson, MP

Communities and Local Government—

SECRETARY OF STATE—The Rt. Hon. John Denham, MP

MINISTERS OF STATE—
Minister for Regional Economic Development and Co-ordination—The Rt. Hon. Rosie Winterton, MP (Minister for Yorkshire and the Humber)* §
Minister for Housing—The Rt. Hon. John Healey, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Barbara Follett, MP (Minister for the East of England)*
Shahid Malik, MP
Ian Austin, MP (Minister for the West Midlands)*
The Lord McKenzie of Luton §

Culture, Media and Sport—

SECRETARY OF STATE—The Rt. Hon. Ben Bradshaw, MP

MINISTER OF STATE—The Rt. Hon. Margaret Hodge, MBE, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Gerry Sutcliffe, MP
Siôn Simon, MP

Defence—

SECRETARY OF STATE—The Rt. Hon. Bob Ainsworth, MP

MINISTERS OF STATE—
Minister for the Armed Forces—Bill Rammell, MP
The Rt. Hon. Lord Drayson §

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
The Rt. Hon. Baroness Taylor of Bolton §
Quentin Davies, MP
Kevan Jones, MP

Duchy of Lancaster—

CHANCELLOR OF THE DUCHY OF LANCASTER AND LEADER OF THE HOUSE OF LORDS—The Rt. Hon. Baroness Royall of Blaisdon

Energy and Climate Change—

SECRETARY OF STATE—The Rt. Hon. Edward Miliband, MP

MINISTERS OF STATE—
The Rt. Hon. Lord Hunt of Kings Heath, OBE
Joan Ruddock, MP

PARLIAMENTARY UNDER-SECRETARY OF STATE—
David Kidney, MP

Environment, Food and Rural Affairs—

SECRETARY OF STATE—The Rt. Hon. Hilary Benn, MP

MINISTER OF STATE—
Jim Fitzpatrick, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Huw Irranca-Davies, MP
Dan Norris, MP
The Rt. Hon. Lord Davies of Oldham §

Foreign and Commonwealth Office—

SECRETARY OF STATE—The Rt. Hon. David Miliband, MP

MINISTERS OF STATE—
Minister for Africa and the UN—The Baroness Kinnock of Holyhead
Minister for Trade, Investment and Small Business—The Lord Davies of Abersoch, CBE §
Ivan Lewis, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Minister for Europe—Chris Bryant, MP
The Rt. Hon. Baroness Taylor of Bolton §

Government Equalities Office—

MINISTER FOR WOMEN AND EQUALITY—The Rt. Hon. Harriet Harman, QC, MP §

MINISTER OF STATE—Maria Eagle, MP §

PARLIAMENTARY SECRETARY—Michael Jabez Foster, MP *(Hastings and Rye)*

Health—

SECRETARY OF STATE—The Rt. Hon. Andy Burnham, MP

MINISTERS OF STATE—
The Rt. Hon. Mike O'Brien, QC, MP
Phil Hope, MP (Minister for the East Midlands)*
Gillian Merron, MP

PARLIAMENTARY UNDER-SECRETARY OF STATE—
Ann Keen, MP

Home Office—

SECRETARY OF STATE—The Rt. Hon. Alan Johnson, MP

MINISTERS OF STATE—
Minister for Borders and Immigration—Phil Woolas, MP (Minister for the North West)* §
Minister for Policing, Crime and Counter-Terrorism—The Rt. Hon. David Hanson, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Admiral The Lord West of Spithead, GCB DSC
Meg Hillier, MP
Alan Campbell, MP
The Lord Brett §

International Development—

SECRETARY OF STATE—The Rt. Hon. Douglas Alexander, MP

MINISTER OF STATE—Gareth Thomas, MP

PARLIAMENTARY UNDER-SECRETARY OF STATE—
Michael Foster, MP *(Worcester)*

Justice—

SECRETARY OF STATE—The Rt. Hon. Jack Straw, MP

MINISTERS OF STATE—
The Rt. Hon. Michael Wills, MP
Maria Eagle, MP §

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Bridget Prentice, MP
The Lord Bach
Claire Ward, MP

Law Officers' Department—

ATTORNEY-GENERAL—The Rt. Hon. Baroness Scotland of Asthal, QC

SOLICITOR-GENERAL—Vera Baird, QC, MP

ADVOCATE-GENERAL FOR SCOTLAND—The Lord Davidson of Glen Clova, QC

Leader of the House of Commons—

LEADER OF THE HOUSE OF COMMONS, LORD PRIVY SEAL AND MINISTER FOR WOMEN AND EQUALITY—The Rt. Hon. Harriet Harman, QC, MP §

PARLIAMENTARY SECRETARY, OFFICE OF THE LEADER OF THE HOUSE OF COMMONS—
Barbara Keeley, MP

Northern Ireland—

SECRETARY OF STATE—The Rt. Hon. Shaun Woodward, MP

MINISTER OF STATE—
The Rt. Hon. Paul Goggins, MP

Privy Council Office—

LORD PRESIDENT OF THE COUNCIL, FIRST SECRETARY OF STATE AND SECRETARY OF STATE FOR BUSINESS, INNOVATION AND SKILLS—The Rt. Hon. Lord Mandelson §

Scotland Office—

SECRETARY OF STATE—The Rt. Hon. Jim Murphy, MP

PARLIAMENTARY UNDER-SECRETARY OF STATE—
Ann McKechin, MP

Transport—

SECRETARY OF STATE—The Rt. Hon. Lord Adonis

MINISTER OF STATE—The Rt. Hon. Sadiq Khan, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Paul Clark, MP
Chris Mole, MP

Treasury—

PRIME MINISTER, FIRST LORD OF THE TREASURY AND MINISTER FOR THE CIVIL SERVICE—The Rt. Hon. Gordon Brown, MP

CHANCELLOR OF THE EXCHEQUER—The Rt. Hon. Alistair Darling, MP

CHIEF SECRETARY—The Rt. Hon. Liam Byrne, MP

FINANCIAL SECRETARY—The Rt. Hon. Stephen Timms, MP §

MINISTER OF STATE—Phil Woolas, MP (Minister for the North West)* §

ECONOMIC SECRETARY—Ian Pearson, MP

EXCHEQUER SECRETARY—Sarah McCarthy-Fry, MP

PARLIAMENTARY SECRETARY—The Rt. Hon. Nicholas Brown, MP (Minister for the North East)*

FINANCIAL SERVICES SECRETARY—The Lord Myners, CBE

LORDS COMMISSIONERS—
Frank Roy, MP
Steve McCabe, MP
Dave Watts, MP
Tony Cunningham, MP
Bob Blizzard, MP

ASSISTANT WHIPS—
Mark Tami, MP
George Mudie, MP
John Heppell, MP
Lyn Brown, MP
Mary Creagh, MP
Sharon Hodgson, MP
Kerry McCarthy, MP
David Wright, MP

Wales Office—

SECRETARY OF STATE—The Rt. Hon. Peter Hain, MP

PARLIAMENTARY UNDER-SECRETARY OF STATE—
Wayne David, MP

Work and Pensions—

SECRETARY OF STATE—The Rt. Hon. Yvette Cooper, MP

MINISTERS OF STATE—
Minister for Employment and Welfare Reform—The Rt. Hon. Jim Knight, MP (Minister for the South West)*
Minister for Pensions and the Ageing Society—Angela Eagle, MP

PARLIAMENTARY UNDER-SECRETARIES OF STATE—
Jonathan Shaw, MP (Minister for the South East)*
Helen Goodman, MP
The Lord McKenzie of Luton §

Her Majesty's Household—

LORD CHAMBERLAIN—The Rt. Hon. Earl Peel, GCVO, DL

LORD STEWARD—The Earl of Dalhousie

MASTER OF THE HORSE—The Rt. Hon. Lord Vestey, KCVO

TREASURER—The Rt. Hon. Thomas McAvoy, MP

COMPTROLLER—The Rt. Hon. John Spellar, MP

VICE-CHAMBERLAIN—Helen Jones, MP

CAPTAIN OF THE HONOURABLE CORPS OF GENTLEMEN-AT-ARMS—The Lord Bassam of Brighton

CAPTAIN OF THE QUEEN'S BODYGUARD OF THE YEOMEN OF THE GUARD—The Rt. Hon. Lord Davies of Oldham §

LORDS IN WAITING—The Lord Tunnicliffe, The Lord Young of Norwood Green, The Lord Brett §, The Lord Faulkner of Worcester

BARONESSES IN WAITING—The Baroness Farrington of Ribbleton, The Baroness Thornton, The Baroness Crawley

§ *Members of the Government with responsibilities in more than one area*

* *Regional Ministers (in addition to other ministerial responsibilities)*

Full list:

Ministers for the English Regions—
Ian Austin, MP (Minister for the West Midlands)
The Rt. Hon. Nicholas Brown, MP (Minister for the North East)
Barbara Follett, MP (Minister for the East of England)
Phil Hope, MP (Minister for the East Midlands)
The Rt. Hon. Tessa Jowell, MP (Minister for London)
The Rt. Hon. Jim Knight, MP (Minister for the South West)
Jonathan Shaw, MP (Minister for the South East)
The Rt. Hon. Rosie Winterton, MP (Minister for Yorkshire and the Humber)
Phil Woolas, MP (Minister for the North West)

SECOND CHURCH ESTATES COMMISSIONER, REPRESENTING CHURCH COMMISSIONERS—Sir Stuart Bell, MP

HOUSE OF COMMONS

THE SPEAKER—The Rt. Hon. John Bercow, MP

CHAIRMAN OF WAYS AND MEANS—The Rt. Hon. Sir Alan Haselhurst, MP

FIRST DEPUTY CHAIRMAN OF WAYS AND MEANS—Sylvia Heal, MP

SECOND DEPUTY CHAIRMAN OF WAYS AND MEANS—Sir Michael Lord, MP

CHAIRMEN'S PANEL

Mr. David Amess, MP, Janet Anderson, MP, Mr. Peter Atkinson, MP, Hugh Bayley, MP, Miss Anne Begg, MP, Mr. Joe Benton, MP, Mr. Clive Betts, MP, Mr. Graham Brady, MP, Sir John Butterfill, MP, Mr. Martin Caton, MP, Mr. Christopher Chope, MP, Frank Cook, MP, John Cummings, MP, Mrs. Janet Dean, MP, Mr. Nigel Evans, MP, Christopher Fraser, MP, Mr. Roger Gale, MP, Mr. Mike Hancock, MP, Mr. Jim Hood, MP, The Rt. Hon. George Howarth, MP, Mrs. Joan Humble, MP, Mr. Eric Illsley, MP, Mr. Martyn Jones, MP, Robert Key, MP, Dr. William McCrea, MP, Mr. Eric Martlew, MP, Mr. Edward O'Hara, MP, Mr. Bill Olner, MP, Mr. Greg Pope, MP, Bob Russell, MP, Jim Sheridan, MP, Mr. Gary Streeter, MP, Joan Walley, MP, Mr. Mike Weir, MP, Hywel Williams, MP, Mr. David Wilshire, MP, Ann Winterton, MP, Sir Nicholas Winterton, MP

HOUSE OF COMMONS COMMISSION

The Rt. Hon. The Speaker (Chairman), Sir Stuart Bell, MP, The Rt. Hon. Harriet Harman, QC, MP, Nick Harvey, MP, The Rt. Hon. David Maclean, MP, The Rt. Hon. Sir George Young, MP

SECRETARY OF THE COMMISSION—Dorian Gerhold

ASSISTANT SECRETARY—Robert Cope

ADMINISTRATION ESTIMATE AUDIT COMMITTEE

The Rt. Hon. Sir George Young, MP (Chairman), Clive Betts, MP, Nick Harvey, MP, Mark Clarke, Alex Jablonowski, David Taylor

SECRETARY OF THE AUDIT COMMITTEE—Hannah White, PhD

MANAGEMENT BOARD

Malcolm Jack, PhD (Chief Executive), Robert Rogers (Director General, Chamber and Committee Services), John Pullinger (Director General, Information Services), Andrew Walker (Director General, Resources), John Borley, CB (Director General, Facilities), Joan Miller (Director of Parliamentary ICT) (External Member), Alex Jablonowski (External Member)

SECRETARY OF THE MANAGEMENT BOARD—Philippa Helme

SPEAKER'S SECRETARY—Angus Sinclair

SPEAKER'S COUNSEL—Michael Carpenter

SPEAKER'S CHAPLAIN—Rev. Canon Robert Wright

MEDICAL ADVISER TO THE SPEAKER—Dr. Ron Zeegen, OBE, FRCP, MRCS, DObst, RCOG

PARLIAMENTARY COMMISSIONER FOR STANDARDS—John Lyon, CB

PARLIAMENTARY SECURITY CO-ORDINATOR—Peter Mason

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIFTH SESSION OF THE FIFTY-FOURTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 11 MAY 2005]

FIFTY-EIGHTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 505**

FIFTH VOLUME OF SESSION 2009-2010

House of Commons

Monday 1 February 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

WORK AND PENSIONS

The Secretary of State was asked—

Jobcentre Plus

1. **Mr. Eric Illsley** (Barnsley, Central) (Lab): What steps she is taking to improve telephone communications between benefit claimants and Jobcentre Plus. [314101]

The Secretary of State for Work and Pensions (Yvette Cooper): In keeping with the 100th anniversary of the labour exchange, which is today, we are continuing to modernise communications with Jobcentre Plus to make it easier for millions of people to get in touch about their benefit or seeking work. We have been concerned for some time that people calling on mobile phones were being charged a lot for calls to claim benefits which would be free from landlines, so we have recently negotiated a deal with the major mobile phone companies that their customers should also not be charged for calling 0800 numbers, and we are looking at what further steps we can take.

Mr. Illsley: I am grateful to my right hon. Friend for that response, and particularly for her reference to the anniversary of labour exchanges. My constituents and my local citizens advice bureau have complained to me about the use of 0845 numbers in jobcentres. Claimants seem to wait a very long time before their query is dealt with. Although jobcentres offer to call claimants back, by that time they have spent a considerable amount of money dealing with that telephone inquiry. Can the Government move away from 0845 numbers altogether?

Yvette Cooper: My hon. Friend raises an important point. I have asked for all the phone lines to be reviewed now that we have made important progress. I think he would agree that the first step was to get the deal with mobile phone companies so that people were not being charged for the important calls setting up their benefit claims, which can be the longest calls that people make. The 0845 numbers have traditionally been used for shorter calls, and as my hon. Friend rightly says, Jobcentre Plus will call back any customer who is concerned about the cost of calls, but I have asked the Department to look at what further we can do to support all our customers. He will appreciate that cost always has to be taken into account, but we want to make it as easy as possible for people to get the help that they need, particularly to get back into employment.

Andrew Selous (South-West Bedfordshire) (Con): I congratulate the staff of jobcentres on their centenary year and thank them for their very hard work. At a time when the Government have been closing a jobcentre a week and some 35,000 people are being fed by food banks, it is vital that people can get through to the social fund easily. So why is it that the most vulnerable people often have less than 2 per cent. of their calls answered—a far worse rate than at the Child Support Agency, for example—and what are the Government going to do about it?

Yvette Cooper: The hon. Gentleman is inaccurate in a series of the points that he makes, including on the closure of jobcentres. As he knows, we are investing

more money in supporting jobcentres—money that his party continues to oppose. Despite the recession, it refuses to back the additional investment and the additional staff that we have put into jobcentres to help people get back into work. He makes an important point about the social fund. We have been increasing the support to make sure that it is much easier for people to get through when they need crisis loans. It is important that people should get access to the help that they need. That is why the position on telephone calls has improved significantly.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): The use of the telephone is very convenient for many people, but for some types of claimants it can be difficult. What training is given to staff working on the telephones to help people who have disabilities, such as people on the autistic spectrum, who may find it more difficult to put across their needs and their difficulties?

Yvette Cooper: My hon. Friend makes an important point. We provide additional training to make sure that staff are aware of all the kinds of help that people might need if they have disabilities. Also, where appropriate, we make home visits and personal visits, and offer appointments as well as accepting claims by phone. We want people to have the widest range of access to Jobcentre Plus, in a way that meets their personal needs and circumstances.

Employment and Support Allowance

2. **Miss Anne McIntosh** (Vale of York) (Con): How many employment and support allowance claimants there were in (a) Vale of York constituency and (b) England in each of the last three years. [314102]

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): The employment and support allowance was introduced in October 2008. Information about the number of claimants in each of the past three years is not available. Provisional figures for May 2009 show that the number of claimants of employment and support allowance was 270 in the hon. Lady's constituency and 237,270 in England.

Miss McIntosh: It would have been helpful to have had comparative figures, such as we see in the newspapers today, for the old incapacity benefit compared with the new allowance. I understand that radical reductions have been made. Why did it take the Government so long to analyse the figures and press the changes through? What right of appeal does a claimant who feels aggrieved by the change have?

Jonathan Shaw: On the final point, there is an appeals process. Most of the decisions made by the Department are upheld—more than 60 per cent. The employment and support allowance and the work capability assessment are part of the reform programme that we have instigated over a number of years. As the hon. Lady will remember, between the 1980s and the 1990s the numbers on incapacity benefit doubled. People were out of work and put on sickness benefit. We have arrested that rise since 2003 and we have seen the numbers fall.

Mr. Mark Harper (Forest of Dean) (Con): The Minister will know that the number of people on incapacity benefit and employment and support allowance is higher today than it was when the Government came to office. The work capability assessment is successfully identifying people who should be able to get into work, but since employment and support allowance was introduced in October 2008 how many claimants have been helped to get a job?

Jonathan Shaw: The hon. Gentleman is selective with his points. He does not acknowledge that the number of people on incapacity benefit doubled between the 1980s and 1990s. It rose until 2003, and it has been coming down since then. *[Interruption.]* It doubled, and we are bringing it down. The pathways to work programme has helped into work 175,000 people who were on incapacity benefit and employment and support allowance, and there has been £1 billion of investment, which is a radical change from what we saw in the 1980s and 1990s.

Jobseeker's Allowance

3. **Mr. David Jones** (Clwyd, West) (Con): What proportion of the population in (a) the UK, (b) Wales and (c) Clwyd, West constituency was claiming jobseeker's allowance on the most recent date for which figures are available. [314103]

The Minister for Employment and Welfare Reform (Jim Knight): In December last year, 4.1 per cent. of the working-age population of Clwyd, West were claiming jobseeker's allowance. The figures for the UK and Wales were 4.1 per cent. and 4.3 per cent. respectively. Current figures for the UK are 450,000 lower than was predicted at the Budget.

Mr. Jones: Two of the most noticeable recent cases of large-scale redundancies in Wales—Indesit in Bodelwyddan and Bosch in the Vale of Glamorgan—were a consequence of the employer deciding that it was no longer cost-effective to manufacture in this country. That is particularly sad, given Wales's track record in attracting inward investment. What are the Government doing to help ensure that the United Kingdom generally and Wales in particular are cost-effective and attractive places in which to set up businesses and employ people?

Jim Knight: My right hon. Friend the Secretary of State for Business, Innovation and Skills, through the "New Industry, New Jobs" and growth strategies that have been published in the past six months, has set out where the jobs of the future are coming from and how they will be realised. The hon. Gentleman will have noted, as I did, that the number of manufacturing jobs increased in the most recent set of statistics, and that the manufacturing economy grew in the figures that were announced last week for the final quarter of last year. He will have noted also that last year employment rose in his constituency, which I am sure he welcomes. I hope that he, unlike his Front-Bench team, welcomes also the future jobs fund jobs in his area and, for example, the Rhyl City Strategy Community Interest Company, which is creating 322 jobs throughout Conwy and Denbighshire. Not only are the number

of manufacturing jobs rising; we are ensuring that we create jobs for young people, in particular, in his area.

Rob Marris (Wolverhampton, South-West) (Lab): My right hon. Friend mentioned the number of people on jobseeker's allowance in the United Kingdom, and, although those figures are very disappointing, they are much lower than the figures during previous recessions in this country. Will he indicate the comparative figures for other leading industrial economies, such as Spain, the USA or Germany?

Jim Knight: I am grateful to my hon. Friend for his question, because some people—most notably the Opposition—try to pretend that we have historically high figures compared with our international competitors. However, in October 2009 the youth unemployment rate—for 15 to 24-year-olds—for example, was 19.8 per cent. in the United Kingdom, 21.1 per cent. in the European Union, 26.6 per cent. in Italy, 42.8 per cent. in Spain and 25.2 per cent. in France. A range of different international competitors have not been able to respond as effectively as we have, and that is a tribute to the many workers throughout the country who have helped businesses to survive by being willing to work shorter hours and take pay cuts. Part of the story of this recession has been those heroes throughout the country who have helped Britain through the downturn.

Hywel Williams (Caernarfon) (PC): Given the wide variation in unemployment and poverty figures from area to area, does the Minister agree that regionalising the rates of benefit payments would be impractical and unfair?

Jim Knight: I think that the hon. Gentleman is probably commenting on the Opposition's policies. For our part, we have been proud not only to sustain decent levels of support for people who are unemployed, but, importantly, to make work pay through the tax credit system and the minimum wage. We are also pleased to see that, despite the recession, the inactivity rate is moving in the right direction, which is unprecedented. In previous recessions, as we heard, inactivity soared; in this recession it has remained broadly constant. In 1985 in Wales, the inactivity rate was 28.2 per cent.; in 1993, it was 26.1 per cent., and it is now 24.2 per cent.

Pensioners (Financial Assistance)

4. **Sir Nicholas Winterton** (Macclesfield) (Con): Whether she plans to provide additional financial assistance for pensioners this winter. [314104]

The Minister for Pensions and the Ageing Society (Angela Eagle): This winter older people have again received an additional payment on top of the winter fuel payment, and the poorest continue to receive increased cold weather payments in periods of exceptionally cold weather.

Sir Nicholas Winterton: I am grateful to the Minister for that reply. However, is she aware that Help the Aged, a charity which I support and whose work I greatly admire, estimates that nearly 3 million pensioners are living in fuel poverty and that many of them are forced to choose between heating or eating? As we are likely to get further cold weather, what further action are the Government prepared to take to help this very vulnerable group?

Angela Eagle: I know that the hon. Gentleman is a fair Member of the House, and I hope that he acknowledges that the tripling of cold weather payments this year has helped enormously. We have made more than 10 million payments, costing £271 million, to the most vulnerable, as well as to pensioners. In his own constituency, there have been four triggers of cold weather payments, which means that people in the group that he is obviously concerned about—I share his concern—have already had an extra £100 in four cold weather payments to help them through this exceptionally cold winter. We will consider doing more. However, I merely say that when we came into government, £60 million was spent on helping pensioners with their fuel bills, whereas we are now spending £2.7 billion on winter fuel payments alone. We have a record to be proud of.

Miss Anne Begg (Aberdeen, South) (Lab): While welcoming the tripling of the cold weather payments, which has made a huge difference—I am sure that this weekend there will be another trigger in my constituency because we have had another 3 or 4 inches of snow—the problem for pensioners is that they do not know that they are going to get the payment because they do not know that it has been triggered. As a result of the scare stories that they are seeing in the media, they are not heating their houses sufficiently because they do not know that they are going to get the money. What would my hon. Friend say to the people out there who are very concerned about their fuel bills to give them the assurance that they should be turning the heating up, that they will get the money, and that that money will help them to pay their bills?

Angela Eagle: I do not want any older person to worry about turning up the heating in periods of cold weather. Cold weather payments are automatically paid to those who are on pension credit, who also have the winter fuel payments and, in many cases, benefit from social tariffs. It is important that my hon. Friend's constituents know, and have confidence, that they can and should turn up the heating if the weather gets cold.

Steve Webb (Northavon) (LD): The £25 cold weather payment is indeed welcome. However, does the Minister accept that the way in which it is treated can seem very arbitrary because it is based on weather stations, some of which can be many miles away from where people live, creating strange boundary effects such as dividing one side of a road from the other? Does she plan to review the way that these payments are triggered so that they more accurately reflect the actual temperatures where people live?

Angela Eagle: The cold weather payment triggers are reviewed every year. While I accept that no system is perfect, I hope that the hon. Gentleman will admit that all but three weather stations have been triggered this year, and that there have been millions of cold weather payments as a result. My right hon. Friend the Chancellor has tripled the level of the cold weather payment.

Steve Webb: Can I raise with the Minister the issue of vulnerable people, including many pensioners, who are being exploited by having their benefits paid on to prepayment credit cards, which make a charge when money goes on and a charge when money goes off? Is she concerned that vulnerable people, including pensioners, are being exploited, and does she have any advice for people who are approached to take their benefits in this way?

Angela Eagle: My advice would be for people to treat with extreme caution anyone who comes to the door and offers them something for nothing. We are working with the energy companies on social tariffs. The Energy Bill that is going through this House will introduce a new form of mandatory social tariff that includes those on prepayment meters and ensures lower levels of charges for those who are poorest—something that I hope the hon. Gentleman will support.

Mr. Lindsay Hoyle (Chorley) (Lab): I am sure my hon. Friend agrees that in this heated—at times overheated—Chamber, it is important to consider taking away the worry that our constituents, unlike ourselves, suffer. Is it possible to increase the number of weather stations that collect the data to ensure that pensioners get the payments oftener than they get them at the moment, and thus take away the worry that has been expressed?

Angela Eagle: There are 85 weather stations in the system at the moment. There is always a balance to strike; too many measurement points make the system more complex. All but three of the weather stations have been triggered this year and we have paid more than 10 million cold weather payments, which have supported people through the unusual spells of very cold weather.

Mr. Nigel Waterson (Eastbourne) (Con): While we can agree that older people have been well advised to keep their heating on during the recent bitter weather, does the Minister accept that they are dreading the bills arriving on their doormats? Many have had to choose between heating and eating—a decision that will prove fatal for tens of thousands. Why cannot the Government adopt our policies, including ensuring that poorer pensioners are on cheaper social tariffs, and energy efficiency improvements in every home?

Angela Eagle: We are doing that. We have spent more than £20 billion on energy efficiency treatments in the Warm Front process since we came into government. I will not take lectures from Conservative Members, from whom we inherited soaring pensioner poverty, and who spent just £60 million on helping pensioners with the costs of their fuel payments when we came into government. We are spending £2.7 billion on winter fuel payments alone. We will not take lectures, given our record, from the Conservative party, given its pathetic attempts when it was in government.

Ms Sally Keeble (Northampton, North) (Lab): Is my hon. Friend aware that many of my older constituents have raised with me the impact of continuing low interest rates on their income from savings? What are the Government doing more widely to support pensioner incomes?

Angela Eagle: Most pensioners' savings income comprises a relatively small proportion of their overall income: 70 per cent. of pensioners receive less than £10 a week or no income from investments. However, I hope that my hon. Friend will welcome the fact that, for those who have such income, my right hon. Friend the Chancellor increased the capital disregard in pension credit and pensioner-related housing and council tax benefit from £6,000 to £10,000 last November. That benefited a further 500,000 pensioners.

Incapacity Benefit

5. **Mrs. Jacqui Lait** (Beckenham) (Con): What assistance her Department makes available to existing long-term incapacity benefit claimants to help them move into employment. [314105]

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): We have invested heavily to support existing incapacity benefit customers into work. Since October 2003, pathways to work has helped 180,000 people into work. We are conducting a review into the employment support that we provide to disabled customers and we will bring forward proposals in the spring.

Mrs. Lait: I thank the Minister for that information. I am surprised that he did not mention that today's papers include an element of congratulation on the reduction in the number of people on incapacity benefit.

In inviting the Minister to give me the figures for the number of people with mental health problems who have moved from incapacity benefit to jobseeker's allowance or jobs, I also ask him to tell me what special training has been put in place for Jobcentre Plus staff to help people with mental health problems rather than reinforce their difficulties.

Jonathan Shaw: I very much welcome the hon. Lady's question. We recently published our mental health employment strategy, part of which will ensure that each district has a specialist mental health employment adviser. In our strategy, we recognise that mental health multidisciplinary teams do not often include employment as part of the prescription to help people get better. We know that work is good for people; we have seen models of good practice around the country on which we based our strategy. We believe that the strategy and other measures, such as access to work, will ensure—as the hon. Lady and all of us hope—that people with mental health conditions experience far more increases in their employment opportunities.

Mr. James Clappison (Hertsmere) (Con): Is it not likely that those who have been on employment and support allowance for many years and are looking to move into work, such as those with mental health problems, will need a great deal of individual help and support to get back into work? That is precisely what we propose, with specialist support in our work programme.

Will the Minister answer the question that my hon. Friend the Member for Forest of Dean (Mr. Harper) posed a moment ago? How many of those who have been reclassified from the ESA to jobseeker's allowance have actually found a job? May we have the figure, please?

Jonathan Shaw: The ESA has been in operation for only one year. I am sure the hon. Gentleman will welcome our employment strategy for mental health people. We have set out in that policy when people will be able to get, for example, better access to work, which the review suggested and we accepted. We have specialist staff in our jobcentres and we expect to see people with mental health conditions, which could mean a range of conditions. We have developed specialist help. The access to work scheme is helping people—£15 million was spent when the Opposition were in government, but that has risen to £137 million. We have done that in partnership with Mind, which has welcomed the arrangements, and a range of disability organisations in that sector has helped us. We have seen jobs for disabled people increase by 10 per cent. since this Government have been in office.

Young Person's Guarantee

6. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What assessment she has made of the likely effects of the young person's guarantee on the level of youth unemployment. [314106]

11. **Chloe Smith** (Norwich, North) (Con): What assessment she has made of the likely effects of the young person's guarantee on the level of youth unemployment. [314111]

The Secretary of State for Work and Pensions (Yvette Cooper): The youth guarantee will provide more than 450,000 youth opportunities, supported by more than £1 billion of additional investment, and aims to help to get youth unemployment falling in the second half of this year.

Mr. Crabb: I am grateful to the Secretary of State for that reply, but is it not the case that any positive effect of the young person's guarantee will be far outweighed by the tens of thousands of young people who will find that they are unable to take up their degree courses later this year as a result of the £1 billion cuts to the higher education budget announced today by her colleagues?

Yvette Cooper: That is simply untrue. We are already funding a significant increase in those in full-time education. In fact, in the past 12 months alone, the labour force survey shows an increase in those in full-time education of 200,000 compared with last year. We continue to support increases of those in higher education; the hon. Gentleman's party wants to cut the numbers because it wants to make it more elitist.

Chloe Smith: I am sure the Secretary of State will join me in congratulating Conservative-run Norfolk county council, which today announced the creation of a further 300 jobs across Norfolk by April this year—but the future jobs fund is open to any organisation from the public, third or private sectors, so why has she got no other takers locally in Norwich, North?

Yvette Cooper: I am glad that the hon. Lady welcomes the additional future jobs fund jobs that Norfolk county council is signing up to. I think she should have a word with the county council about where those jobs should be located, but she may also want to have a word with Conservative Front Benchers, because they have opposed the future jobs fund and said they would abolish it. That would mean that huge numbers of people in Norfolk and Norwich would lose the job opportunities for which they have been working for so long.

Mr. Frank Field (Birkenhead) (Lab): I thank the Government for that scheme. Given its importance to our constituencies, will the Secretary of State consider, as each month goes past, publishing details in the Library of the numbers of guarantees that are delivered in each constituency? Is she also aware that there is a difference in the rake-off—the fees charged by those providing the guarantees? The local authority charges £15, but one private company takes a third of the Government money just to administer the scheme.

Yvette Cooper: I am very happy to look into the case that my right hon. Friend has in mind. Certainly, we will be producing official figures in due course—they will be produced by the Office for National Statistics in the normal way, to ensure that they are properly done.

Andrew Miller (Ellesmere Port and Neston) (Lab): I have been discussing the pluses and minuses of the changes that have taken place in Ellesmere Port with my right hon. Friend the Minister for Employment and Welfare Reform. One very big positive change has been a partnership between Jobcentre Plus and the local further education college. Jobcentre Plus is now located in the FE college, in very difficult circumstances—it is a big building site, thanks to this Government. Will the Secretary of State look at examples such as that one as a way of getting closer to young people, and working with them and their education providers to help to produce opportunities for work?

Yvette Cooper: I know that my hon. Friend has been working very closely with employers—certainly in the retail sector—and jobcentres in his area to make more job opportunities available, including for young people. He will know that overall youth unemployment fell by 16,000 in the most recent figures and the claimant count fell by 7,000. It is worth noting that youth unemployment in the 1990s rose for a year and a half after the recession finished, and that in the '80s, it rose for four years after the recession finished. We are determined not to let that happen this time.

Mrs. Theresa May (Maidenhead) (Con): It cannot have escaped the Secretary of State's notice that youth unemployment has been rising for eight years under this Government, and today 927,000 young people are unemployed. The Government announced the young person's guarantee in April last year, but it will not be fully up and running until April this year. With one in five young people unable to find a job, why has it taken the Government two years since the start of the recession to give extra help to the young unemployed?

Yvette Cooper: I am sorry that the right hon. Lady chose not to welcome the drop in youth unemployment in the most recent figures. We need to keep working to help the young unemployed. She mentioned the figures, so let me tell her the latest figures for the claimant count. We have 484,000 young people on the claimant count looking for work. In the early 1990s recession the

number was 871,000 and in the mid-1980s it was more than 1 million. So the figure is half that of the mid-1980s, as a result of the additional investment that we have put in to help young people through the recession.

Mrs. May: Youth unemployment on the International Labour Organisation count has gone up by more than 300,000 since Labour came into power in 1997. The young person's guarantee is virtually identical to the new deal for young people, which for many was a revolving door on to benefits. Indeed, the right hon. Member for Birkenhead (Mr. Field) described the performance of the new deal for young people as derisory. Last year, fewer than one in four young people on the new deal found a job. Unlike our work programme, the young person's guarantee is not aimed at getting young people into sustainable work. Is not the only conclusion that Ministers are only interested in saving their own jobs, not in giving real help to young people?

Yvette Cooper: Again, the right hon. Lady talks nonsense. The ILO figures include people who are in full-time education but may also be looking for a part-time job, perhaps bar work. If we exclude the number in full-time education—which has rightly increased as a result of the action that this Government have taken—the figures today are 658,000 unemployed, compared with 832,000 in 1993 and again more than 1 million in 1985.

The right hon. Lady asks about the future jobs fund and the youth guarantee, which are providing 470,000 opportunities across the country. The future jobs fund is providing a range of quality career opportunities for young people to get on the first step of the ladder. It is tragic that she wants to oppose that. She says that she wants her own work programme instead, but she could not fund it, because her party would cut £5 billion that we are putting in to support the unemployed.

Digital Inclusion

8. **Alun Michael** (Cardiff, South and Penarth) (Lab/Co-op): What recent assessment she has made of the potential of StartHere in meeting her Department's objectives in respect of digital inclusion. [314108]

The Minister for Employment and Welfare Reform (Jim Knight): Tackling digital exclusion is of fundamental importance to the Department. Inclusion improves employment prospects and helps people to save money, and levels of exclusion are relatively high among our customers. The Department routinely signposts sources of online access, skills and support, such as UK online centres' online basics course, and is looking for ways to do more. StartHere is an interesting service that has the potential to work together with directgov to provide a very simple starting point to accessing Government services online, with a clear focus on local support and helping digital inclusion, and we watch its progress with interest.

Alun Michael: I greatly welcome my right hon. Friend's positive response. Given that the recent evaluation report shows that StartHere is highly cost-effective in getting information to those who are on the wrong side of the digital divide, and that NHS Choices has chosen to use StartHere as a vehicle, is it not time for the DWP and others to use it too? Will he meet me to discuss how we might achieve that?

Jim Knight: I am always happy to meet my right hon. Friend, and would be pleased to do so in respect of the case that he makes for StartHere, which certainly has a good champion in the Minister with responsibility for digital Britain, the Under-Secretary of State for Business, Innovation and Skills, my right hon. Friend the Member for East Ham (Mr. Timms), who spends much of his time in the Treasury. He has been writing to many of us in government to stir up support for StartHere, which is something that I am looking at in the context of my responsibilities.

Public Sector Pension Deficit

9. **Mr. David Heathcoat-Amory** (Wells) (Con): If she will estimate the total pension deficit liability in the public sector. [314109]

The Minister for Pensions and the Ageing Society (Angela Eagle): We have been told that this question has been transferred to Her Majesty's Treasury. *[Interruption.]*

Mr. Heathcoat-Amory *rose—*

Mr. Speaker: Order. Let me say to the hon. Lady that the House was certainly not aware of that. I was not aware of it, the question is on the Order Paper, and I know that she will offer us an answer.

Angela Eagle: I am happy to offer an answer. The total pension deficit liability in the public sector is, off the top of my head, close to £600-odd billion, but this has to be seen in context. The pension liabilities are calculated over the next 80 years. In that context, it has to be borne in mind that the average size of a public sector pension is £4,000 to £5,000.

Mr. Speaker: So there is time for an update.

Mr. Heathcoat-Amory: It is obvious that the Government do not have a clue. They cannot even find a Department to answer the question, so let me provide the answer. Outside agencies estimate that the public sector deficit liability is about £1 trillion, which is £1,000 billion. In the pre-Budget report, the Government were going to get that down by only £1 billion, which is one tenth of 1 per cent. Is it not obvious that in this area of policy and many others we need a change of Government to get the answers?

Angela Eagle: The right hon. Gentleman persists in scaremongering about the provision of public sector pensions for millions of low-paid public sector workers. As I have said, the average pension payment is £5,000 a year. Those liabilities are perfectly sustainable and comprise between 1.5 and 2 per cent. of GDP. If the right hon. Gentleman is telling the House that the Opposition do not think that that is sustainable, what he is saying to the electorate in the forthcoming election is that they will take away the public sector pension provision of millions of public sector workers who are out there working hard to keep our public services going in difficult times—and that, Mr. Speaker, is an absolute disgrace.

Independent Medical Assessments

10. **John Mason** (Glasgow, East) (SNP): What mechanisms her Department has to ensure that independent medical assessments for work capability are consistent, accurate and fair. [314110]

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): The work capability assessment is carried out by specifically trained health care professionals who are able to provide independent and robust advice to decision makers regarding customers' functional capabilities. Recruitment standards, training and stringent quality checks ensure that assessments are consistent, accurate and fair.

John Mason: I thank the Minister for that answer, but given that assessing mental health problems is particularly difficult, why does Atos Healthcare regularly ignore the patient's own GP?

Jonathan Shaw: Atos takes account of representations made by GPs and other professionals. I recognise that there are competing demands on a number of hon. Members, whereby we want the number of people on sickness benefit to be reduced, but there are examples of cases in our constituency surgeries that raise concern—indeed, I might find myself writing to myself where I have a concern. In order to try to allay those concerns, the Secretary of State has asked me to arrange a seminar with Atos and Department for Work and Pensions staff, so that we can set out in detail how those medical assessments are made, and obviously I would welcome the hon. Gentleman's contribution to that. In addition, we will place in the Library the quality control reports for when we supervise Atos staff.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I am sure that this is not just a Scottish problem, although concern about the behaviour of Atos in Scotland is shared across the House. As the Minister will know from his postbag, I have written many times about the complete lack of confidence in the quality of people being sent to carry out these assessments. An example was a doctor who had been retired for almost 10 years taking away the benefits from a young man who had had serious Asperger's syndrome recorded on his medical records for almost 20 years. Can we not put a better system in place, so that people can have confidence that the people who come to see them know what they are talking about?

Jonathan Shaw: We complete more than 30,000 assessments every month. With the new regime, we will see fewer people on employment and support allowance than on incapacity benefit. We are clear that that is the right way forward. I understand that hon. Members have constituency concerns, however, which is why I have arranged a seminar in which we can set out in detail how these assessments are meant to be performed. When there is a complaint or a concern about a particular individual, that individual is looked into and properly checked. If my hon. Friend is able to come along to the seminar and provide us with information, of course we will look at it. As I have said, there will be fewer people on ESA than on incapacity benefit. This is about looking at what people can do.

People Trafficking (Employment)

12. **Mr. Anthony Steen** (Totnes) (Con): What training her Department's officials receive to enable them effectively to assist victims of human trafficking, migrants and refugees to find work. [314112]

The Parliamentary Under-Secretary of State for Work and Pensions (Helen Goodman): Jobcentre Plus advisers have comprehensive training to equip them with the range of knowledge and skills that they need to support all customers. The training includes modules on how to help the most vulnerable customers and, where appropriate, how to signpost them to other relevant sources of help.

Mr. Steen: Does the Minister agree that, if the many thousands of human trafficking victims who come forward every year in this country were treated more generously, as they are in other countries, and given work permits for, say, a year, while waiting for prosecutions to be brought against their traffickers, they would be more likely to give evidence, which would lead to more successful prosecutions? Has she thought about granting a year's permit to those who come forward after being trafficked?

Helen Goodman: We always listen most carefully to the views of the hon. Gentleman, because, as chair of the all-party group on the trafficking of women and children, he knows a lot about this issue. I should like to bring him up to date. In 2009, a joint communiqué was issued by the Refugee Council and Jobcentre Plus. The operational framework is now being reviewed, and there will be further meetings in February and March. In addition, I think that the hon. Gentleman will be particularly satisfied to hear that the DWP and the Home Office have agreed that victims of trafficking may bypass the residency test.

Child Maintenance and Enforcement Commission

13. **Mr. Graham Allen** (Nottingham, North) (Lab): What recent discussions she has had with the Child Maintenance and Enforcement Commission on measures to increase the amount of maintenance paid by young absent fathers. [314113]

The Parliamentary Under-Secretary of State for Work and Pensions (Helen Goodman): Under the current rules, non-resident parents are obliged to pay £5 a week when they are on benefit and, as they enter work, their child maintenance calculation increases correspondingly as a proportion of their income. From 2011, when the new child maintenance scheme will be introduced, the payment for those on benefit will increase to £7. Furthermore, we have instructed commission officials working on detailed policy development for the new child maintenance scheme to review the maintenance status of full-time students. Although students are not currently required to pay child maintenance, we want to promote responsibility among all parents to support their children.

Mr. Allen: Does the Minister agree that teenage pregnancy, which the Nottinghamshire teenage pregnancy taskforce is urgently looking into, is just as much a problem for young fathers and young men as it is for young mothers and young women? Will she ensure that a balance is struck between the two and kept in

perspective, and commend the work being done by the taskforce to ensure that young fathers take on their responsibilities?

Helen Goodman: I certainly will. I congratulate my hon. Friend on his work as chair of the One Nottingham board, which met CMEC staff recently and agreed to develop new local initiatives, including preparing 45-minute lesson plans entitled "Do you want to be in my position?" These teaching packs for sex and relationship education are being piloted particularly in Nottingham.

Child Poverty

15. **Simon Hughes** (North Southwark and Bermondsey) (LD): What recent estimate she has made of the proportion of children living in poverty in (a) the UK, (b) Greater London and (c) North Southwark and Bermondsey constituency. [314115]

The Parliamentary Under-Secretary of State for Work and Pensions (Helen Goodman): The proportion of children in relative poverty in the UK for the period 2007-08 was 23 per cent. For the period 2005-06 to 2007-08 the figure for London as a whole was also 23 per cent. The figures for inner London and outer London were 27 per cent. and 20 per cent. respectively.

Simon Hughes: Given that London is the sixth richest city in the world, can the Minister tell the House why child poverty levels, which mean that one in every two children in inner London are in poverty according to Government official figures, have remained similar for the past 10 years of the Labour Government?

Helen Goodman: I thought that I had just explained that the figure was closer to one in four, but I agree with the hon. Gentleman's basic point that this is a major problem in London. A major reason for it is that parental employment is 8 per cent. lower than it is in the rest of the country. The London child poverty delivery group, which I chaired in the summer, is driving forward programmes on three key things: increasing the supply of part-time vacancies, increasing the take-up of tax credits and increasing the use of formal child care.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): The Minister will be aware that a high percentage of children living in poverty are those with disability. She mentioned child care. Will she liaise with ministerial colleagues to ensure that there is appropriate child care for children with disabilities, so that their parents feel confident, in going out to work, that they are leaving their child in good-quality child care?

Helen Goodman: Of course my hon. Friend is absolutely right. Families in which either a child or an adult is disabled are more likely to suffer. In order to deal with that, we have an extra element in the child tax credit system so that people can pay for child care for disabled children, which is often more expensive.

Topical Questions

T1. [314126] **Mr. Laurence Robertson** (Tewkesbury) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Work and Pensions (Yvette Cooper): Today marks the centenary of the first labour exchange in this country, which was opened by Winston Churchill in 1910. At that time labour exchanges had separate entrances for men and women and separate rooms for skilled and unskilled workmen, and apparently were often difficult to find, as Winston Churchill himself got lost trying to open the Whitechapel Road exchange. This is an opportunity, however, for us to pay tribute to the work of the staff of Jobcentre Plus. The service has modernised substantially and is offering a very good service, and people have worked extremely hard in what has been a very difficult year as a result of the recession. I urge hon. Members to take the opportunity to do as my right hon. Friend the Minister for Employment and Welfare Reform and I have done and visit local jobcentres to thank the staff for all their hard work.

Mr. Robertson: The Secretary of State says that Jobcentre Plus has modernised, but benefit claimants in my constituency have their claims assessed in Cornwall. Would it not be better if they were assessed locally, and preferably face to face?

Yvette Cooper: The hon. Gentleman will be aware that we try to streamline services as much as possible in order to provide a fast turnaround and provide people with the information and support that they need as rapidly as possible. That means that we provide local services, but we also provide help through helplines and contact centres, in order both to be efficient and to provide a local service. It is right that we get that balance, and that the hon. Gentleman knows that his constituents can go into a Jobcentre Plus and get help directly in their local area if they need to and if their personal circumstances mean that they have difficulties using the telephone.

T9. [314135] **Natascha Engel** (North-East Derbyshire) (Lab): My hon. Friend the Minister is aware of the case of Zoey Smith, who, when she was pregnant, worked as a volunteer in a welfare rights office. She wrongly had her benefits stopped, and as a result gave birth two months prematurely. She could not cope, and she has disappeared off the face of the earth. The child has gone into care and the whole sorry story has been a disaster from beginning to end. Does my hon. Friend agree that the benefits regime for pregnant women is incompatible with meeting our child poverty targets?

The Parliamentary Under-Secretary of State for Work and Pensions (Helen Goodman): I am aware of the unhappy experience of my hon. Friend's constituent, which in essence came down to poor administration in her local benefit office. The existing rules for income support are consistent, however, with the rules for maternity leave. Both begin at the 11th week before the expected due date, which strikes a fair balance between the interests of the pregnant woman and the interests of the taxpayer. To pull the date forward would privilege the position of pregnant women over that of women in work.

T2. [314127] **Mr. Graham Stuart** (Beverley and Holderness) (Con): Ministers have been asked twice how many of those on employment and support allowance who have gone on to jobseeker's allowance have actually found

work. Is the failure to answer because Ministers are embarrassed by the situation or is it because they simply do not know?

The Parliamentary Under-Secretary of State for Work and Pensions (Jonathan Shaw): The hon. Gentleman will be aware that people who are eligible for employment and support allowance then go on to the pathways to work programme, which has assisted 180,000 people through incapacity benefit and employment and support allowance.

David Cairns (Inverclyde) (Lab): May I tell the Secretary of State that Inverclyde council's future jobs fund has been assessed by her Department as the second best performing scheme in the whole of the UK? Will she give me an assurance that the focus of the scheme will continue to be on real jobs in the real economy in sectors such as construction, which will enable Inverclyde to see unemployment continuing to fall as it has been falling every month for the past five months?

The Minister for Employment and Welfare Reform (Jim Knight): I am happy to give my hon. Friend that reassurance. The future jobs fund sets us apart from the Tories with their work programme in that we are offering real jobs for at least six months on at least the minimum wage while providing a community benefit. What my hon. Friend says about construction is hugely important because at least 10 per cent. are apprenticeship jobs and if it were not for the fiscal stimulus provided by this Government over the last year—building schools, building hospitals, building roads, building the infrastructure this country needs—our construction industry would be on its knees by now.

T4. [314129] **James Duddridge** (Rochford and Southend, East) (Con): What is going to be done about the £1 million incorrectly paid out to 10 claimants? Have we got the money back yet?

Helen Goodman: The hon. Gentleman might be interested to know that six of the 10 debts occurred because of frauds or errors made by customers before 1995. The rate of error has now fallen to 0.6 per cent. and the work to recover the debt has had significant success. The recent report from the National Audit Office noted that the Department has improved its performance; the Comptroller and Auditor General said that there had been significant performance improvements.

Andrew Mackinlay (Thurrock) (Lab): In a period of joined-up Government, will the Secretary of State tell us whether or not the Department of Health consulted her about the decision arbitrarily to tear up the reciprocal health agreement between the Isle of Man and the United Kingdom, given the ramifications it has for the chronically sick and disabled and the elderly who want to travel to and from the island?

Yvette Cooper: I will write to my hon. Friend about that.

T5. [314130] **Chloe Smith** (Norwich, North) (Con): The number of cases handled clerically by the Child Support Agency or the Child Maintenance and Enforcement Commission has increased from 19,000 to 75,000 over the last three years at a cost of £3.7 million a month. Does the Department really have no plans to stem this staggering administrative failure before 2014?

Helen Goodman: I do not agree with the hon. Lady that there is a staggering administrative failure. On the contrary, record numbers of children are now receiving maintenance through the system, and the improvements we have implemented have lifted 100,000 children out of poverty.

Mr. Michael Clapham (Barnsley, West and Penistone) (Lab): Last week, I met a group of members of a miners support group to discuss the application of industrial injuries disablement benefit for osteoarthritis of the knee, and they complained of wide variations between assessments given throughout the regions. Will my Ministers ask their medical advisers to look at the medical process to ensure that it is applied uniformly at centres throughout the country?

Jonathan Shaw: I am grateful to my hon. Friend for raising this important point. The whole House would acknowledge what he has done to champion the cause of former miners across the country, including in my own area of Kent. It is important that there is confidence in the system, so we need continuity within the assessment process. I will most certainly look further at this issue and write to him accordingly.

T6. [314131] **Miss Anne McIntosh** (Vale of York) (Con): I join the Secretary of State in congratulating Winston Churchill all those years ago on opening the first ever labour exchange, and I also welcome the modernisation that has clearly taken place over the last 20 years. Does the Secretary of State agree that those living in rural areas face particular problems accessing job centres—in the Vale of York, for example, there is simply no jobcentre—and that this sometimes increases the frustrations that claimants experience? What are the Government proposing to do to make them more accessible?

Yvette Cooper: We want to do everything possible to make it easy for people in rural as well as urban areas to obtain the help that they need in order to find work. That is why, as well as providing jobcentres, we are making more information available online and by telephone, and using new technology to make it as accessible as possible. This is a question not just of the support that jobcentres can provide directly, but of our ensuring that we continue to invest in the economy, that jobs are created and that the economy grows, and that means sustaining investment and support for the economy rather than reducing it.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): In view of this afternoon's outrageous attempt by the political scavengers on the Conservative Front Bench to affect an interest in young people, will my right hon. Friend remind them of the full generation of young people who were abandoned without hope and opportunity by the last Conservative Government?

Yvette Cooper: My right hon. Friend is correct. The level of claimant unemployment in the 1980s was twice as high as it is today, and young people were abandoned

for many years without support or help. We must never abandon a generation in that way again. We should bear in mind that unemployment kept increasing after the recession had ended. That is why investment to support the recovery this year is so important now.

T7. [314132] **Mr. David Heathcoat-Amory** (Wells) (Con): In earlier exchanges about the size of the public sector deficit liability, the Minister—apart from not knowing which Department was responsible—gave an inaccurate figure. Even the Office for National Statistics believes that the figure is £810 billion. Then she said that it did not matter. Does she really believe that a deficit liability of that scale, in addition to the projected national debt of £1.5 trillion, is of no concern to this Government? If so, we need a change of Government.

The Minister for Pensions and the Ageing Society (Angela Eagle): What I really object to is the right hon. Gentleman's pretence that the problems caused to the global financial system by the greed and excess of a very small number of people should be paid for by our taking from public sector workers their modest pension support, which amounts to an average of £5,000 a year. That is the difference between our values and those of the Conservative party. We will protect such support, whereas they cannot wait to rip up the public sector pension contract for all public sector workers.

Mr. Lindsay Hoyle (Chorley) (Lab): People with skills within the construction sector have just been made redundant and unemployed and have signed on at my jobcentre. They want to work on the railways, but they need certification in order to do so, and the jobcentre will not pay for it. There is therefore a void, leaving people on the unemployment register when jobs are available. All that is needed is someone to help with funding. What does the Minister think?

Jim Knight: I am sure that my hon. Friend has studied carefully the White Paper that we published last month. One of the things that we seek to do is increase our personal advisers' flexibility so that they can give people more personalised support in circumstances such as those that he has described. We particularly want to increase flexibility in their use of the new single skills fund that we have created, along with the skills accounts, so that when there is a real prospect of a job at the end of the process we can deploy funds to help people.

T8. [314133] **Mr. Hugo Swire** (East Devon) (Con): More than 1.7 million pensioners are currently missing out on their cold weather payments because they do not claim pension credit. What are the Government doing to ensure that pensioners do not have to do without those payments during the current spell of particularly cold weather?

Angela Eagle: We devote a great deal of time and effort to trying to ensure that pension credit is claimed by those who are eligible for it. We have partnerships with 200 local authorities, we organise regional advertising, and we arrange 13,000 visits a week to vulnerable pensioners. Only last week I spoke to a pensioner who had just been told that she was eligible for an extra £32 a week, and that she would not have to pay her council tax.

Pension credit makes a real difference to pensioners' quality of life. We want them to claim, and we are reaching out to them. If there is anything that the hon. Gentleman can do in his own constituency, such as talking to local pensioners, we shall be more than grateful.

Rob Marris (Wolverhampton, South-West) (Lab): Will the Minister explain why the Government are not encouraging the Child Support Agency to get on with it and transfer people from the old system to the new, fairer, percentage-based one?

Helen Goodman: I am sure my hon. Friend realises that it takes time to build the new computer system for the new system. We do not want a repeat of the sort of shambles and collapse that we have seen in the past. We therefore think that this is a case of more haste, less speed.

Mr. Rob Wilson (Reading, East) (Con): Unemployment in my constituency is now significantly higher than it was in 1997. Despite the initiatives of the past 13 years, were not young people better off in work in 1997 than out of work in 2010?

Yvette Cooper: As I pointed out earlier, the claimant count for young people is, in fact, about half what it was in the '80s. It is a major concern that young people have been affected by the recession, however, and that is exactly why this party and this Government are funding the youth guarantee, providing hundreds of thousands of additional opportunities for young people, but the hon. Gentleman's party opposes that and wants to cut it. *[Interruption.]* If he really cares about young people, he should have a word with his own Front-Bench team.

Mr. Speaker: Order. I recognise that the House is eagerly awaiting the Foreign Secretary's statement, but, even so, far too many private conversations are taking place in the Chamber. That is very unfair on both the Member asking the question and the Minister answering it.

Miss Anne Begg (Aberdeen, South) (Lab): Although most people agree with the principles of the employment and support allowance, there is a group of people who pass the work capability assessment, but who may still have health issues that are acting as a barrier to work. Will Ministers ensure that they are given proper advice, instead of being put on to jobseeker's allowance and then being ignored, and not getting specialist help to make it easier for them to find work?

Yvette Cooper: My hon. Friend makes an extremely important point. We know that some people who undertake the work capability assessment and are found to be able to work may still have a health condition that makes things difficult for them in some form or another, or that may affect their attitude to work. It is important that they get appropriate help and support. That is exactly why we are looking again at the pathways programme—at how it works and to whom it applies—and at what kind of support people should have, regardless of what kind of benefit they are on.

Greg Mulholland (Leeds, North-West) (LD): It is striking that Shelter and landlord associations both agree that the eight-week limit for the local housing allowance trigger to kick in, and for that to be looked at when someone has gone into arrears, is causing a problem. It is causing people to get into debt and landlords not to get their money and to be put off taking on social tenants. Are the Government reviewing that?

Helen Goodman: The hon. Gentleman is obviously unaware of the fact that 200,000 more people than in 2008 are currently in the private rented sector. Of course we believe that housing benefit can be improved; that is why we have just published a consultation document setting out our proposals.

Mr. Paul Burstow (Sutton and Cheam) (LD): Given that the Office for National Statistics has just revealed that 2 million pensioners in this country are still living below the breadline, will the Government look again at their policy and their commitment to means testing, by revisiting Margaret Thatcher's decision to breach the link with earnings, and reintroducing that valuable earnings link?

Angela Eagle: The House has legislated to ensure that pensions will be linked to earnings within the lifetime of the next Parliament, and I also hope the hon. Gentleman will acknowledge that the ONS pointed out that we had broken the link between old age and poverty for the first time in our history. We inherited soaring pensioner poverty from the Conservative party. We have reversed that trend, but we know that there is still more to do.

Afghanistan and Yemen

3.33 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): Mr Speaker, with your permission I will make a statement on the Afghanistan conference that took place on 28 January and the Yemen meeting the previous day.

It is a grim but important feature of all discussion on Afghanistan that we remember the loss of life—coalition and Afghan—in the last eight years. As I saw for myself again two weeks ago in Kandahar, Lashkar Gah and Kabul, British troops are showing fortitude beyond measure, and their families support beyond compare, both of which deserve the recognition of the whole nation. The stakes are high not only for those serving in Afghanistan but for all the Afghan people, for the south Asian region, for the credibility of the NATO alliance, and, ultimately, for our national security.

As I explained when I spoke in this House on 14 January, 2010 will be a decisive year for Afghanistan. With a new Government, a refreshed counter-insurgency strategy, and a commitment to increase international troop numbers by some 60,000, the Afghans and their allies now have the chance to reverse the momentum of the insurgency, if the military and civilian effort is directed towards a durable political settlement in Afghanistan.

That was the impetus behind my right hon. Friend the Prime Minister's decision to convene the London conference.

Mr. Bernard Jenkin (North Essex) (Con): Where is he?

David Miliband: He is in Northern Ireland, actually.

Our aim was to mobilise international resources—military and civilian—behind a clear political strategy to help to deliver the ambitious agenda that President Karzai set out at his inauguration last November. Our goals are threefold: first, to win over the active support of more of the Afghan population; secondly, to split the insurgency; and, thirdly, to encourage Afghanistan's neighbours to become part of the solution. Following my consultations in Pakistan, Afghanistan, Washington, Istanbul and Brussels, representatives from more than 70 countries and international organisations travelled to London to attend the conference. The communiqué, which was agreed among all conference participants, provides the detail of what was agreed.

First, in respect of security, the focus was on the Afghan national security forces. The growth and development of the indigenous security forces are intended to give the Afghan population the confidence to resist Taliban intimidation and bribery. Afghanistan now has almost 200,000 soldiers and police, and they are already assuming greater responsibility for military operations, but the London conference agreed new, more ambitious targets to increase the Afghan national security forces by more than 50 per cent. by October 2011 by training 70,000 additional members of the Afghan national army and 38,000 more police.

The conference also marked the beginning of the transition process, by agreeing the necessary conditions under which we can begin, district by district and province by province, the process of transferring responsibility for security from international forces to Afghan forces. The intention is for some provinces to transition by late 2010 or early 2011, on the road to meeting President Karzai's target that within three years Afghans should have taken the lead and be conducting the majority of operations in insecure areas. The additional troops—Afghan and international—will mean that the insurgency will come under increasing military pressure. President Karzai is launching a peace and reintegration programme for those who can be persuaded to switch sides; the rest will face growing military danger. It is essential that all the ethnic groups of Afghanistan are given a route back into Afghan society, as long as they respect the Afghan constitution and break links with al-Qaeda—we support all effort towards this goal. The Peace and Reintegration Trust Fund announced last Thursday is the vehicle through which the international community will provide financial assistance, and some $140 million has already been pledged for the first year.

Governance and development was the second priority for the London conference. Local and provincial government in Afghanistan is chronically weak; less than a quarter of Afghanistan's 364 governors have electricity in their offices and some receive only $6 a month in expenses. That is why the conference agreed to provide additional support to train, over the next two years, 12,000 sub-national civil servants in core administrative functions vital to the exercise of local and provincial power. However, if the Afghan Government are to win the support of more of the population, they need to govern in the population's interests, so the commitments that the Government made at the conference to take steps to end the culture of impunity are important. They have promised to do the following: first, to strengthen the independent High Office of Oversight in order to investigate and sanction corrupt officials; secondly, to bring their laws in line with the UN convention against corruption; and thirdly, to invite a group of Afghan and international experts to develop benchmarks for progress and report regularly against those benchmarks—their first visit will take place within the next three months.

Those promises must be translated into rapid action. The international community again pledged its support on Thursday, and for the first time it said that, once key conditions are met, it will increase the proportion of development assistance channelled through the Afghan Government, and will support the Government to meet those conditions.

Development assistance is important in its own right in Afghanistan, which is the fourth poorest country in the world, but it will also help to draw people away from the insurgency and the drugs trade. That is the significance of Thursday's announcement that Afghanistan will receive up to $1.6 billion extra in debt relief from major creditors and that there will be a new International Monetary Fund programme from June 2010. The legal economy—notably agriculture—needs substantial support, and progress in reducing drug production is important in that respect, as well as in its own right.

The third element is relations between the countries of the region. The situation in Afghanistan threatens to destabilise the whole of south Asia: crime, drugs, terrorism and migration spill across borders. There is a growing awareness within the region that the status quo in Afghanistan benefits nobody. Afghanistan's neighbours also increasingly accept that no country within the region, let alone the international community, will allow Afghanistan to become a client state.

In these twin changes—a recognition that a client state is out of reach for all and that an unstable state is damaging for all—is the seed of a shared interest. That shared interest should be the basis of greater regional co-operation. Each neighbour needs to know that their restraint and co-operation will be reciprocated, so they need reassurances about each other's behaviour and intentions. That is why last Tuesday I attended the regional summit in Istanbul to discuss how Afghanistan's neighbours can support stability in Afghanistan and enhance regional co-operation. At the London conference the Afghan Government requested that the relevant regional bodies develop a co-ordinated plan for Afghanistan's regional engagement as soon as possible. The prize of regional co-operation is immense: Afghanistan's neighbours will cut off the lines of funding, support and shelter that stretch across Afghanistan's borders.

This political strategy and the agreements reached on Thursday need to be pursued with drive, determination and without delay. The Afghan Government will host a further conference in Kabul later this spring. By then, President Karzai will need to have made real progress on security, governance and development.

The international community also has an important role to play in ensuring effective implementation. That is why three new international appointments are being made: at the UN, where there is an upgraded Senior Representative; in NATO, where the NATO Secretary-General has created a new NATO Senior Civilian Representative to strengthen the co-ordination of development and governance work with the military effort—our ambassador in Kabul, Mark Sedwill, took up this role on Thursday—and in the EU to create greater unity of civilian command.

Afghanistan and Yemen are 2,000 miles apart. They have diverse histories, different cultures and are fighting different enemies, but there are common themes. In both cases the lack of development, weak governance and absence of security provide a vacuum for extremists who threaten our shores. In both cases, these underlying long-term causes must be addressed.

The purpose of the London meeting on Yemen on 27 January, as agreed with President Saleh of Yemen, was threefold: first, to forge international consensus about the challenges the country faces; secondly, to build impetus behind the economic and political reform agenda; and thirdly, to improve international co-ordination of support for the Yemeni people and Government.

The Government of Yemen were represented by Prime Minister Mujawar. The Foreign Ministers from the Gulf Co-operation Council countries and the key regional and international partner nations all participated alongside representatives of the EU, the UN, the International Monetary Fund, the World Bank and other international institutions. Prime Minister Mujawar gave an honest appraisal of the challenges his country faces—"brutally honest", in the words of the US Secretary of State. The threat from al-Qaeda has put Yemen in the headlines but it has long been the poorest country in the Arab world, with a rapidly growing population, fast dwindling oil and water reserves, an armed conflict in the north and increasing civil instability in the south.

All present were clear that responsibility for tackling those challenges lay first and foremost with the Yemeni Government, but decisions were taken to upgrade international support in five important respects. First, all present committed to support the Government of Yemen in the fight against al-Qaeda. The meeting welcomed the recent UN sanctions committee decisions on designation and called on all states to enforce the terms of the designation under UN Security Council resolution 1267.

Secondly, the meeting agreed to engage in further helping Yemen to address its broader security challenges, including through increased international support for the Yemen coastguard. Thirdly, Prime Minister Mujawar confirmed that his Government would continue to pursue their reform agenda, notably on economic reform, and start discussion of an IMF programme. The director of the IMF made a compelling case for the way in which economic reform could be supported by the IMF. Fourthly, participants agreed concrete actions to improve the disbursement of aid, an issue that was raised when we discussed this matter in the House two weeks ago. The GCC Secretary-General called a meeting of Gulf and other international donors to share analysis of the barriers to effective aid disbursement and establish a joint dialogue with the Government of Yemen on their reform priorities. The meeting will take place in Riyadh on 27 and 28 February.

Finally, the 25 countries and organisations represented also agreed to establish a Friends of Yemen group to help the Government implement their national reform agenda. Two working groups on economy and governance and justice and law enforcement will report at the first Friends of Yemen meeting.

Conferences and meetings can seem—and are—a long way from the daily danger of improvised explosive devices in Lashkar Gah or the 40 per cent. unemployment rate in Yemen, but neither problem will be resolved without coherent plans confidently advanced by sovereign Governments with huge support from the international community. As a result of last week's efforts, there is a new confidence and clarity. The test is to turn these words into deeds. That is what we are now committed to doing.

Mr. William Hague (Richmond, Yorks) (Con): I thank the Foreign Secretary for his statement. Before turning to Afghanistan, may I ask a couple of questions about the meeting on Yemen? We welcome both that meeting and the creation of a Friends of Yemen group, but is he confident that the Government of Yemen will take the urgent and concrete action on political and economic reform that they pledged to take when they were at the meeting? Did he detect a willingness on the part of our European and other international allies to devote resources to the sort of specific initiatives that Britain and the United States have started in Yemen to buttress those efforts?

I join the Foreign Secretary in paying tribute to the men and women who are serving in Afghanistan, whose work I have also seen for myself in recent weeks. I also pay tribute to their families here in Britain and to the 251 service personnel who have given their lives. I agree with his description of 2010 as a "decisive year" for Afghanistan. We welcome the hosting of the conference in London, and we support its conclusions. Like the Government, we are committed to ensuring that there is sufficient stability in Afghanistan for Afghans to look after their own security without presenting a danger to the rest of the world. To that end, the strategy that has been adopted in recent months must be given time and

[Mr. William Hague]

support to succeed, and must be accompanied by a viable political process alongside our military efforts.

I want to ask about three main areas: the military strategy, the political strategy and the transition to Afghan control. On the military strategy, we welcome the decisions taken by other countries to commit additional manpower. Can the Foreign Secretary say how many of the 9,000 additional non-US forces that have been announced will be stationed in the south, where the heaviest fighting is? Will every effort be made to ensure that the use of those forces will not be hampered by restrictive rules of engagement? One new benchmark is the achievement of a total of 300,000 Afghan security forces by October next year. Can he tell us the projected cost of that expansion? Is he satisfied that the Afghan state will be able to meet the cost that that will entail over the long term? Can he assure the House that NATO trainers and mentors will be in place in sufficient numbers to achieve that target? The conference communiqué urges countries to provide more support for the reform of the Afghan national police. Can he say when the detail of that support will be fleshed out? Can he confirm that there is still no agreed national strategy for the reform of the police? When does he expect that finally to be in place? On the civilian aspects of the strategy, we welcome the appointment of a new NATO Civilian Representative and a new UN special representative. As it is also intended that there will be a new EU special representative with strengthened powers, what mechanism is being put in place to co-ordinate the work of those three officials to avoid the duplication that has happened in the past?

On the political strategy, does the Foreign Secretary agree that the fairness and credibility of the elections that are now scheduled for September are of huge importance, given what happened in the presidential elections? Does he think it is the true intention of the Afghan authorities to run a seriously improved electoral process? How will confidence be given to opposition parties that they will be given a fair chance to compete in those elections? Corruption is one of the key problems that needs to be addressed by the Karzai Government. The communiqué talks about

"empowering an independent High Office of Oversight".

Can he shed some light on the composition and powers that are intended for that office?

As the Foreign Secretary has said, at the conference there was a major focus on the new Peace and Reintegration Trust Fund. Can he provide more detail about how the expenditure of that huge amount of money will be overseen? Who will be responsible for the distribution of the funds at a regional level, and how will oversight be ensured? Is he confident that the scheme will be designed to avoid creating perverse incentives for non-combatants to join the insurgency in order to benefit from the fund later?

In his evidence to the US Senate Foreign Relations Committee last week, the Foreign Secretary proposed "relocation and deradicalisation programmes" for former Taliban members. Can he say whether such programmes have now been agreed and, if so, where they will take place and whether any lead nation will take responsibility for them? It is well known that Taliban elements operate in Pakistan's border area, posing a threat to both Afghanistan and Pakistan. Does he therefore envisage any of those funds being channelled to the Pakistani Government for the same purposes, or will we encourage that Government to make their own arrangements?

On the final issue—the handover—the conference said that a number of provinces, but an unspecified number, would be transferred to Afghan control by the end of this year or by the start of 2011. Can the Foreign Secretary say whether that timetable has slipped, given the Prime Minister's specific commitment in November that five Afghan provinces needed to transferred by the end of 2010? The communiqué says that the goal is that Afghan forces take responsibility for physical security within five years, but President Karzai says that the training and equipping of Afghan security forces may take up to 10 years and that they will need outside assistance for up to 15 years. Does the Foreign Secretary share those assessments?

The goals set at the London conference are important and worth while in our view, but we must remember that many of the commitments made at the last London conference on Afghanistan in 2006 have never been met. Does the Foreign Secretary agree that this time around, as the British public wait to see whether progress can really be made and whether our military effort can succeed, delivery on the commitments that have been made is absolutely indispensable?

David Miliband: I am grateful to the right hon. Gentleman for his broad welcome for the strategies that have been developed in respect of Yemen and Afghanistan.

On confidence about the implementation of the plans agreed by the Government of Yemen, such confidence should be born of deeds rather than the words that have been used. It is obviously better for words to be used than not to be used, but in the end, one learns to look for actions, rather than words, to give real confidence. However, the depth of the problems that Yemen faces and the remarkable document that the Government of Yemen produced about those problems suggest that no one can accuse them of being in denial.

On the devotion of resources, notably by European countries, the right hon. Gentleman allowed, unusually for him, a degree of scepticism to emerge about what he thought other European countries might be doing. That would come rather amiss to the German and Dutch contributors to the development effort in Yemen. After all, their contributions are on a par with ours, and that commitment is welcome. So I am sorry to disappoint him, but there is no division in Europe on this issue or on its importance.

On Afghanistan, the right hon. Gentleman rightly raised the need for additional manpower and for caveats to be lifted. I therefore think that it is worth putting on record the fact that the German Government announced last week not only an extra 500 troops—rising, I think, to 900 for the elections—but the removal of their caveats. That is the sort of decision that we welcome and want to be taken much more widely.

The right hon. Gentleman is right to point out that there is no way in the immediate future that the budget of the Government of Afghanistan will be able to support a security force of some 200,000, never mind 300,000. In that context, the answer to his question about the Afghan budget is that, no, its Government will not be able to cover it. It will need to be covered

from outside, but, obviously, the twin track of a military strategy and a civilian strategy, including an economic one, is very important. Certainly, current estimates are that we—at least, the international community—will have to support the Afghan security effort for some time to come.

In respect of NATO mentors and trainers, the most recent concern has been for Afghan troops to be delivered, mentored and trained. I am pleased about the way in which the NATO training effort is now working. The mentoring and partnering strategy takes us a long way forward.

In respect of the police, I will send the right hon. Gentleman the national strategy that was recently published by the Interior Ministry of the Government of Afghanistan. I commend the national strategy to him. He may have met Interior Minister Atmar—perhaps he has not—who has been responsible for the Afghan national police force for a year or 18 months and is doing an excellent job.

On EU representation, the proposal to replace two EU representatives, representing the Commission and the Council, with one is definitely a step forward of itself. On the relationship with the NATO and UN command, the right hon. Gentleman will know that the UN is superordinate in its role in any country—it is the apex of the international effort—but it will have a different role from that of the NATO Senior Civilian Representative, whose job is to combine military and civilian efforts.

On the elections, it is clear that, for reasons of both security and electoral reform, it was hard to see those elections taking place on 22 May, which was the first date suggested. Reform in the intervening months to September is essential. The Opposition parties want elections but those can take place only if progress is made on reform, and we are working on that.

On the peace and reintegration council, the right hon. Gentleman is right to point out that the detailed implementation of this policy will be critical to its effectiveness. The purposes of the fund, which are to provide employment, to provide security and to force the pace on the deradicalisation agenda, are the right outcomes. He asked who was the lead nation. The lead nation must be Afghanistan. The concept of lead nationhood was applied to G8 nations after the 2003 Bonn conference, but I think we have a much clearer method now of putting the Afghans in the lead and of ensuring the right balance between international and Afghan responsibility.

The right hon. Gentleman asked questions about the number of provinces that will be under Afghan security leadership. The timetable has not slipped. As the Prime Minister said in his speech on Thursday, he thinks that more progress will be made than people realise, but it is important that we do this on a conditions basis. The figure of five years that the right hon. Gentleman raised is President Karzai's figure from his inauguration speech. It is he who said that within five years the whole of Afghanistan, every province, should have Afghan security leadership. That does not mean the end of an international support role, but it is a very different role.

Finally, it is clear that the efforts that were made in 2006 at the London conference need to be supplemented. The Kabul conference will be able to renew the London compact, but it will do so on the basis of a strategy that has not only far greater clarity and coherence, but far greater international support. That is something that we have to build on in this decisive year.

Mr. Edward Davey (Kingston and Surbiton) (LD): I thank the Foreign Secretary for his statement, and for his courtesy in providing an advance copy. He was right to begin with a tribute to our British troops and their families. The whole House stands together in admiration and gratitude for their courage and sacrifice.

Although the true success of the London conference on Afghanistan can be known only a few years hence, may I begin by welcoming the communiqué wholeheartedly? Liberal Democrats have long argued for a coherent political strategy to sit alongside the military strategy, and the conference appeared to mark the first internationally agreed attempt to define that political strategy in detail. Does the Foreign Secretary recognise that for many people, success for Britain's involvement in this important mission rests crucially on deepening and strengthening this new political strategy as the only realistic way forward?

Given its significance, can the right hon. Gentleman say a little more about the international dimension of the political strategy, especially the engagement of all Afghanistan's immediate and near neighbours in a comprehensive approach to regional peace? In what forums will this aspect be pursued? Can he say a little more about what was discussed and planned at the regional summit in Istanbul, especially in relation to Saudi Arabia and India/Pakistan relations?

On the national elements of the new political strategy, I welcome the breadth of the proposals to tackle corruption, while sounding a sceptical note on delivery. Was it made clear to President Karzai that neither the international community nor his own people are likely to believe that the Afghan Government are serious about corruption until some of the more powerful warlords and their placemen are ejected from the top table?

I especially welcome the proposals for the Peace and Reintegration Trust Fund. The Foreign Secretary will know that Liberal Democrats were widely criticised for such ideas earlier last year, but I am delighted that he and his colleagues last week did not shy away from the controversy. Does he agree that planning the structure and implementation of any payments to former Taliban fighters is critical, to make sure not only that are there no perverse incentives, but that there is clear financial support for Afghans who did not co-operate with the Taliban? But does he also agree that it must make sense to hold out real prospects of employment and hope to insurgents who are often mercenaries and rarely Taliban ideologues?

Can the Foreign Secretary say what plans there are to provide the necessary security to former Taliban fighters—their families and villages—who decide to defect and switch sides? Given that some NGOs already report an upsurge in the assassination of local leaders whom the Taliban suspect of being ready to defect, does he accept that this is a pressing issue if the counter-insurgency strategy is to work?

On Yemen, I welcome what seems to have been a worthwhile exercise, especially in relation to domestic social, economic and political reform. The right hon. Gentleman reported to the House that the Gulf Co-operation Council is to meet later this month to review

[Mr. Edward Davey]

what aid can be given from countries in the region. Can he say a little more about the help and support that is being offered Yemen from across the Arab world, not just the Gulf, and whether the wealthy members of the Arab League have offered their support?

David Miliband: I find myself in agreement—non-violent, I hasten to say—with the hon. Gentleman about the importance of the political strategy. The right hon. Member for Richmond, Yorks (Mr. Hague) asked about Pakistan and international engagement, however, and I failed to answer him. He inquired about whether the reintegration fund would be available on the Pakistan side of the border, and the answer is no, because the situation involves Afghans who should be in the Afghan political system, not in the Pakistani political system.

The hon. Member for Kingston and Surbiton (Mr. Davey) asked which forums would be used for international engagement, and the region is debating that issue. There are already four or five different regional organisations, including the Shanghai Co-operation Organisation and others, and there is an issue about co-ordination. There is also an issue, which the Afghan Government must address, about whether there should be a specific effort on Afghanistan. I think that there is a strong case for it.

The hon. Gentleman is right that corruption afflicts many levels of the Afghan system. In a recent BBC poll, 95 per cent. of Afghans complained of corruption in local policing and governance. The importance of that was made clear not just to President Karzai but to all his Ministers who were at the conference, and they replied that it was important for them, too. However, implementation will be a key point, as the hon. Gentleman said, and the oversight board and other committees will be important in that respect. On local corruption, local police wages are important, and the way in which security is offered on the routes between major cities is an absolutely key point, so the security effort and the anti-corruption effort go together.

The hon. Gentleman asked about the implementation of the peace and reconciliation effort. The money that is available does not exist as pots of money to be paid to individuals; it exists to provide for jobs, for deradicalisation and for the security of those who return to their communities. He is right to emphasise the importance of security, because the intimidation that the Taliban apply to the local population applies in spades to their former comrades. On that point, the security effort is the key.

On Yemen, the hon. Gentleman will know that the Gulf countries have pledged large sums of money; we do not suffer from an absence of pledges on Yemen. We need them to be turned into reality, because of those made in London in 2006, only 7 per cent. have been delivered, notably those from the Gulf countries. An important part of the Gulf Co-operation Council's engagement will be not only Yemen's road to GCC membership or labour market issues, but aid issues.

Mike Gapes (Ilford, South) (Lab/Co-op): I welcome the Foreign Secretary's statement on Yemen. On Afghanistan, I particularly welcome the appointment of our ambassador, Mark Sedwill, to the important NATO co-ordination post.

My right hon. Friend referred to a proposal whereby, once the relevant conditions are met, the proportion of development assistance that is channelled through the Afghan Government will increase. Will he give the House more information about that proportion? Will it also apply, as a coalition of non-governmental organisations has called for it to apply, to money that is currently disbursed by the military—both through the provincial reconstruction teams and, directly, by the US military in Afghanistan?

David Miliband: The figure that was used in the communiqué was 50 per cent., and that is the aim once the conditions have been met.

I am grateful for what my hon. Friend said about the importance of Mark Sedwill's upgraded role, and a vital part of his role will be to knit together the local counter-insurgency strategy with the local provincial reconstruction team effort. The transition to lead-security responsibility needs to be accompanied by political developments.

Mr. Speaker, I hope that you will permit me, while the hon. Member for North Essex (Mr. Jenkin) is in his place, to correct something that I said earlier. I had been reliably informed that the Prime Minister was on his way to Belfast, but it now transpires that he is not—for various reasons that I shall not go into. I apologise for having got that wrong earlier.

Several hon. Members *rose—*

Mr. Speaker: Order. Fifteen further Members are seeking to catch my eye. I want as always to accommodate everybody, if at all possible, but there is a motion to follow and then the Committee stage of a very important Bill, so brief questions and brief answers are required.

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): The day before the Afghanistan conference, the Russian Foreign Minister said that his Government would consider an additional contribution to help the Afghan Government. Did the Russian Foreign Minister make any such announcement? What reasons did the Iranians give as to why, at the end of the day, they did not attend the conference?

David Miliband: The short answer is no, the Russian Prime Minister did not make such an announcement. He made a positive contribution to the conference about the Russian commitment to help in a range of ways, but he did not make a specific commitment. I am afraid that the Iranian authorities have not given any explanation, clear or otherwise, their non-attendance. Iran was the only country not to attend, despite repeated invitations and the extension of visas into Tehran, Istanbul and elsewhere. I made clear my regret to the Iranian Foreign Minister when I saw him in Davos on Friday.

Keith Vaz (Leicester, East) (Lab): I declare my interest on Yemen.

I thank the Foreign Secretary for holding the conference with the Prime Minister and for sending the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Bury, South (Mr. Lewis), to Yemen tomorrow. As the Foreign Secretary has told the House, only 7 per cent. of the £3 billion pledged in 2006 has been paid over to Yemen, and that is the problem—promises and no delivery. There would be one easy win

for the Government. We have today announced that body scanners are to be made available at Heathrow and Manchester. If Yemen had just one body scanner at Sana'a airport, it would be able to start its direct flights to London again. Such practical measures, to which I know my right hon. Friend is committed because he is a practical Foreign Secretary, can help that very poor country.

David Miliband: I am grateful to my right hon. Friend. He will know that a comprehensive assessment of the travel needs is taking place at Sana'a airport. Yemeni airlines decided to suspend their flights to London pending the conclusion of the efforts to improve security. I will ensure that the Transport Secretary is aware of his suggestion about body scanners, but I think that a rather more comprehensive approach will be needed at Sana'a airport.

Mr. James Arbuthnot (North-East Hampshire) (Con): I welcome this statement. In the past, Britain has been the lead nation on counter-narcotics in Afghanistan, with the Germans leading on the police and the Italians on the judiciary. That concept has never really worked—was it abandoned last week?

David Miliband: I agree with the right hon. Gentleman that the concept has not worked well. It was not formally buried at the meeting last week, but the emphasis that has been placed over the past two or three years on Afghan leadership and international support reflects a recognition of a different, and better, way of doing things.

Paul Flynn (Newport, West) (Lab): Is it sensible to try to fight bribery with bribery or corruption with corruption, as history proves that paying danegeld means you never get rid of the Dane?

David Miliband: As I said today and last Thursday, comparing the effort that is being made to ensure that there is security and employment for former Taliban who come into the political system in Afghanistan with the rental that is paid by the Taliban to attack their own communities, never mind our forces, is a comparison that I do not recognise. Nor do I recognise my hon. Friend's reference to corruption, certainly not—I am sure that he would not have been suggesting this—in respect of our own efforts. The equivalence that he seeks to suggest is one that I do not think is right.

Sir Menzies Campbell (North-East Fife) (LD): I am sure that I do not have to persuade the Foreign Secretary that if al-Qaeda were to become established in Yemen, that would constitute a threat to the whole region, including some very important allies of this country. Does he therefore agree that if security in Yemen is to be enhanced, it will take something rather more than additional support for the Yemeni coastguard?

David Miliband: Yes. The communiqué issued after the meeting gave a rather wider range of factors. Obviously, the presence of al-Qaeda on the Arabian peninsula in Yemen is a recent sign that it is willing to launch attacks outside the region as within it, and that is very significant. However, I assure the right hon. and learned Gentleman that the security effort is not limited to coastal matters.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): In view of the recently released video and the Foreign Secretary's presence in the Chamber today, is there any more that he can say about attempts to secure the release of Paul and Rachel Chandler?

David Miliband: All Members will have felt heart-wrenched by the video that was released yesterday. As I said this morning, the political and diplomatic effort continues, in very close liaison with the family. That is the best thing to say at this stage. Everybody's heart goes out to the Chandlers, and we all continue to make every effort to help to resolve this very distressing case.

Mr. Jenkin: As a member of the Defence Committee who recently visited Afghanistan, I can attest to the new sense of political, civil and military direction there. However, may I draw the Foreign Secretary's attention to the fact that the Afghan national defence university cannot get off the ground for the lack of 15 British military officers whose presence would enable the United Kingdom to lead that hugely influential project? May I put that into his in-tray and ask him to look into it? It is worth lifting the military cap by just a few officers in order for us to be able to lead that enormously important project.

David Miliband: The hon. Gentleman has taken a long-standing interest in the Afghan conflict and he and I have had repeated and, I think, productive discussions about it. I will certainly take up his point. I know that there are Afghans at Sandhurst receiving training, and I will look into the return of officers to Afghanistan to make a difference at the national defence university.

Mr. Gordon Prentice (Pendle) (Lab): The Speaker of the Afghan Parliament told me last week that there are 107 political parties in Afghanistan. Was there any discussion at the conference about consolidating that number to make it more manageable? Is that realistic?

David Miliband: My hon. Friend makes an important point. I saw Speaker Qanuni in Kabul two weeks ago. It is fair to say that the definition of a party in the Afghan context is pretty loose, and not the same as we might recognise in this country. However, the amount of fragmentation and splintering reflects the sort of tribal society that it is, and also emphasises the importance of the parliamentary elections. A presidential system, by definition, elects one person, whereas a parliamentary system allows a broader range of interests to be represented. We did not take it upon ourselves to try to reform the Afghan political party system last Thursday, but the civil society representatives who spoke at the conference were insistent about the need to open up the political process to more people from community groups and civil society more generally.

Angus Robertson (Moray) (SNP): One thousand Scottish and Scottish-based service personnel are set to be deployed to Helmand in April. They and their families, to whom we all pay tribute, deserve to know when it is expected that violence will diminish and new deployments will not be necessary. When does the Foreign Secretary believe that military intervention will end?

David Miliband: The steps towards the shared goal of all parties in the House are: for the Afghans to take on lead security responsibility—a clear timetable has been set for that—and for a political settlement to take the place of the combat in which British troops from all parts of the UK have been engaged for the past eight years. The hon. Gentleman knows that the efforts of soldiers from Scotland are part of an effort to keep all citizens of this country safe, and therefore deserve all-party support.

Mr. Dennis Skinner (Bolsover) (Lab): Is the Foreign Secretary aware that, if we are to get out of this war, we must make bigger philosophical shifts than have been announced today? However, a few cautious sentences from him and others over the weekend indicate that maybe the political strategy is more important than continuing the war. With Northern Ireland, we had to make shabby compromises, let prisoners out and all the rest, which the media regarded as bad at the time. Yet that is now accepted as something that was right to do at the time. That is what we must do with Afghanistan. It may be that, in this thinly attended House, a few words have been said today that mark the end, and getting out of Afghanistan much sooner.

David Miliband: I appreciate my hon. Friend's perspective. The military and civilian effort is in the service of a political strategy. A political settlement in Afghanistan involves three things: al-Qaeda being kept out, the tribes being kept on side, and the neighbours supporting stability. That is the sort of political settlement that my hon. Friend recognises, and that we are seeking.

David Tredinnick (Bosworth) (Con): Do not the peace and reintegration programme and the Peace and Reintegration Trust Fund represent a dramatic shift in Government policy? Are we not attempting to buy some aspects of the enemy? Given that we have now reached that point, why did we not reach it earlier? How many British lives would have been saved if the Government had examined that option more closely earlier?

David Miliband: The hon. Gentleman will know from my speeches and those of the Prime Minister that the Government have advocated such a strategy for a long time. However, it is not right to say that it is only just being tried. The right hon. Member for Richmond, Yorks (Mr. Hague), who speaks for the Opposition on such matters, referred to the 2006 attempts at reintegration and reconciliation, which were done in a way that included some of the perverse incentives to which the right hon. Gentleman referred and were not administered correctly. However, the unity of effort to achieve a political settlement is more coherent and clearer, and we welcome that. In that sense, last Thursday's conference was a signal event for the international community, because it represented a clear recognition on the part of all countries there of the need for all parts of the Afghan effort to be directed towards the durable political settlement that is needed.

Mr. David Winnick (Walsall, North) (Lab): Does my right hon. Friend accept that there is growing impatience in this country with such a long-standing war—as he stated, it has been going on for eight years—when there is no sight of any kind of military victory in the recognisable sense? Therefore, is it not right to put as much emphasis as possible on a political settlement, which must involve, as my hon. Friend the Member for Bolsover (Mr. Skinner) indicated, all insurgents? We must speak to the enemy at some stage—the sooner the better.

David Miliband: With the caveat that it must be led by the Afghan Government, we are in complete agreement on the need for an Afghan political settlement that separates those with political grievances from those who are determined to pursue global jihad. The latter group is a small minority who are currently attacking their own communities, never mind our own forces, so the Government adhere very strongly indeed to the commitment to a political strategy and a settlement of the sort my hon. Friend advocates.

Mr. Philip Hollobone (Kettering) (Con): Given that the Pakistani armed forces are configured for state-on-state conflict with India rather than counter-insurgency, what will be the strategy on the Pakistani side of the border with regard to the Taliban? Will it be the military strategy on which the Pakistanis have just embarked, or will they, too, change to a political tack?

David Miliband: The hon. Gentleman makes an important point. I think the Pakistani forces are being reconfigured to take care of what the Pakistani Government would call twin threats, but he is right to say that the sort of effort, training and structures that are needed for a counter-insurgency are quite different from those for traditional warfare. The evidence from Pakistan shows the folly of pursuing a political strategy on its own—a deal-making strategy will not work, and it has not worked in the federally administered tribal areas over the past two decades—but equally, a military strategy on its own will not work either. The absence of any sort of political process in the FATAs is as dangerous to their stability as the absence of any kind of security and order. The Pakistani experience shows the importance of combining military and civilian effort in the service of a durable political settlement. The fact that for, I think, the first time ever, that is happening on both sides of the Durand line, in a complementary fashion, is a significant change in the past year.

David Cairns (Inverclyde) (Lab): Other than the very welcome additional debt relief that my right hon. Friend mentioned in his statement, did any discussion take place during the conference about ways in which to enhance the alternative livelihoods programme in tackling the lethal narcotics trade? The alternative livelihoods programme is the only thing that has made any impact at all in halting the expansion of opium cultivation in Afghanistan.

David Miliband: My hon. Friend makes a very important point. He will know that the fall of some 22 per cent. in poppy production across the whole of Afghanistan last year—33 per cent. in Helmand province—reflects two things: first, the increasing efforts on security; but, secondly and vitally, higher wheat prices and the wheat seed distribution programme, which has been such an important part of the effort to get Afghan farmers on to legal production and away from illegal production. That is the sort of twin-track approach that will be

absolutely essential. I am pleased to say that there was very widespread support for that. Significantly, American efforts on the agricultural side are being scaled up to unprecedented levels. The US Secretary of Agriculture was in Afghanistan two weeks ago to spearhead that effort.

Bob Spink (Castle Point) (Ind): Will the Secretary of State join me in paying tribute to the Royal Anglian Regiment, which is serving in Afghanistan so valiantly?

What confidence does the Foreign Secretary have that significant international focus is being placed on, and help and funding directed to, Pakistan and the border regions?

David Miliband: The honest answer is that I have more confidence than I had a year ago. The passage of the Kerry-Lugar Bill—notwithstanding the controversy that that stirred up in Pakistan—represents a signal change in the American attitude towards its relationship with Pakistan, and a rebalancing away from military hardware towards comprehensive development. The exchange of letters between President Obama and President Zardari, which has now been publicised, needs to represent a further opening up of a dialogue between Pakistan and the US that leads to a completely different relationship between those two countries.

Standards and Privileges

4.19 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): I beg to move,

That this House—

(1) approves the Seventh Report of the Committee on Standards and Privileges (House of Commons Paper No. 310);

(2) endorses the recommendations in paragraph 22 of the Report; and

(3) accordingly resolves to withhold Resettlement Grant from the hon. Member for Leyton and Wanstead.

This motion has been tabled by my right hon. and learned Friend the Leader of the House to facilitate the debate on the seventh report of the Committee on Standards and Privileges. I thank the Parliamentary Commissioner, Sir John Lyon; the Chairman of the Committee, the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind); and the members of the Committee who worked on this report.

It is a substantial report, and its recommendations are laid out on page 8. The hon. Member for Leyton and Wanstead (Harry Cohen) made his apology to the House on Friday, and I ask the House to support the motion.

4.20 pm

Sir Malcolm Rifkind (Kensington and Chelsea) (Con): I contribute to this debate as Chairman of the Standards and Privileges Committee. The Committee's report on the hon. Member for Leyton and Wanstead (Harry Cohen) was published on 22 January. As the House has just heard, on Friday last the hon. Member made a personal statement in which he fully apologised to the House and accepted the recommendations of the Committee. I would like to echo what the Deputy Leader of the House said in congratulating the commissioner and those who helped him in the preparatory work needed for us to make our report to the House.

The background to this case, briefly, is that over a five-year period the hon. Member for Leyton and Wanstead had claimed additional costs allowance for his designated second home in his constituency, having identified his main home as a house in Colchester. It is very relevant in understanding the background to this case, and was a matter of agreement between the hon. Member and the Committee, that the hon. Member's wife experienced a series of debilitating health-related incidents at frequent intervals from 2003, including a stroke in March 2004.

The hon. Member and his wife felt that they had to spend more time at their constituency home from 2003 in order that he could care for his wife while continuing to carry out his parliamentary duties and to make it easier for Mrs. Cohen to receive necessary medical treatment at a specialist hospital in north London. Unfortunately, Mrs. Cohen continued to experience bad health from time to time and she and her husband therefore continued to live mostly in the constituency in London, letting the Colchester house for periods, but always hoping to return there.

From early 2004 until August 2008, the hon. Member periodically let the Colchester house on six-month leases. That was not a secret arrangement. In 2001, he actually

[Sir Malcolm Rifkind]

registered the fact that he owned and had received rental income from the Colchester property. He did not, however, subsequently declare any further income as he should have done. It was the hon. Member himself who drew this omission to the commissioner's attention and non-registration did not form part of the original complaint.

The commissioner concluded that the hon. Member was in breach of the rules in relation to the registration of Members' financial interests in not registering his Colchester house and the fact that he received substantial rental income from it in each year from 2004 to 2008. The hon. Member has apologised for that breach and has now made an appropriate entry in the Register of Members' Financial Interests.

According to the best estimate that it has been possible to make in the absence of proper records, in 2002-03 the hon. Member spent 55 per cent. of nights in his designated main home in Colchester. The following year, he spent 45 per cent. of nights there. In 2005-06, the hon. Member did not stay in his designated main home at all. In other years, he spent well below half of nights there. For long periods, the hon. Member did not even have the option of using the house in Colchester because it was occupied by tenants.

The commissioner concluded, and the Committee agreed, that the hon. Member was in breach of the rules of the House in identifying for allowance purposes his house in Colchester as one of his two homes from April 2004 to August 2008, because his use of the property was in fact constrained by regular and substantial periods when it was let to others. The Committee has concluded that the hon. Member's arrangements for his properties over the period of four and a half years represented a particularly serious breach of the rules.

The hon. Member sent us written evidence in which he stated his views. His main points were as follows. He had always regarded the house in Colchester as his main home. His circumstances were not normal because of his wife's serious health problems, and it would be unfair to apply to his case the rule that a Member's main home will normally be where he spends most nights.

During the four and a half years when the Colchester house was let for periods, the hon. Member said that there were also periods when it was not let, but used by him and his wife. He said that claiming the London supplement instead of the additional costs allowance would not have saved the taxpayer a penny, because he could also have claimed other expenses. He also claimed that it was not necessarily against the rules for a tenant for periods of time to occupy a house that was subject to claims for the additional costs allowance.

Although the Committee had great sympathy with the hon. Member's difficulties arising out of his wife's health, we had no hesitation in concluding that his house in Colchester could not be regarded as his home for the purposes of claiming parliamentary allowances during the time in question. For most of that time he was not living there and the house was let, so for long periods it was not even accessible to him. In our view the hon. Member is also wrong to argue that letting a home for extended temporary periods is in accordance with the rules.

It follows that the hon. Member's constituency home in Leyton and Wanstead was his main home—and for long periods his only home—throughout the four and a half years when he was making little use of the house in Colchester. We entirely accept that he and his wife were continually hoping to move back to Colchester, but as the commissioner has pointed out, it should have been clear to the hon. Gentleman that that was not going to happen in the short term. The fact that the house was let and re-let on a six-month lease suggests that he understood that. We calculate that during the period when his Colchester house was let between 2004 and 2008, the hon. Gentleman claimed and received more than £70,000 in total from his additional costs allowance. Over the same period, as a Member for an outer London constituency with only one home, he could instead have claimed about £9,000 in the London supplement. Taking the latter sum from the former, the Committee concluded that he had received more than £60,000 from parliamentary allowances over those four years to which he was not entitled.

We have considerable sympathy with the hon. Member and Mrs. Cohen for the difficulties that they have faced in recent years. We believe that we understand their strong attachment to the house, to which they plan to retire. We certainly understand the pressures on the hon. Member, not only as a Member dealing with a heavy work load created by a busy constituency, but as one who has had to cope with considerable stress and demands on his time caused by the ill health of his partner. The House will wish to bear his personal situation very much in mind.

In our second report of the current Session, we responded to the recommendation of the Committee on Standards in Public Life that the House should be prepared to withhold the resettlement grant from Members who commit serious breaches of the rules. We stated that we would regard a recommendation to withhold the resettlement grant as an option available to us in cases where it appeared to be the right sanction to apply in light of the breach that had occurred. We consider this to be just such a case. The hon. Member's breach was particularly serious and involved a large sum of public money. Withholding of the resettlement grant is a severe sanction that will effectively recover from him a similarly large sum of public money. We understand that the resettlement grant payable to a Member with his length of service is about £65,000, which is the maximum. He has announced that he will stand down at the next general election, so implementation of the sanction will not be unduly delayed.

We recommended in our report that for committing a particularly serious breach of the rules on claiming parliamentary allowances the hon. Member be required to apologise by means of a personal statement on the Floor of the House. This he did last Friday. We further recommended that the full amount of the resettlement grant, which would be payable to him when he leaves the House, be withheld. I therefore commend the motion to the House.

4.28 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): As we have heard, the hon. Member for Leyton and Wanstead (Harry Cohen) made a personal statement of apology to the House last Friday. In that statement he

accepted the decision and ruling of the Standards and Privileges Committee "without proviso," as he put it. That is to be welcomed. We have also heard that the Standards and Privileges Committee report says that the Committee had sympathy for his personal circumstances in recent years and that this, too, should be borne in mind when the House responds to that report. Although he did not draw on that paragraph in his statement last week, I am sure that all Members will have taken note of the Committee's view and will sympathise with him for having to look after his wife, who is not well.

No one can doubt the severity of the sanction in this case—the withholding of the resettlement grant—due to the amount of money involved. The withholding of a Member's resettlement grant in some cases was one of Sir Christopher Kelly's recommendations. The Kelly proposals have yet to be implemented, but the fact that the sanction is already being used should send a clear message about how seriously the House takes all his proposals.

I thank the Parliamentary Commissioner for Standards, John Lyon, for carrying out a thorough investigation into this case. Thanks are also due to the Standards and Privileges Committee for all its work. I extend especial appreciation to my right hon. and learned Friend the Member for Kensington and Chelsea (Sir Malcolm Rifkind), who has only recently stepped up to the plate as the Committee's Chairman.

4.30 pm

Mr. David Heath (Somerton and Frome) (LD): As a former member of the Standards and Privileges Committee, I know just how difficult that job is, so I also extend my gratitude to the right hon. and learned Member for Kensington and Chelsea (Sir Malcolm Rifkind) and his Committee for their work on this case and others. The right hon. and learned Gentleman has very properly set out the circumstances of this case. As he said, the hon. Member for Leyton and Wanstead (Harry Cohen) has already made his apology to the House in accordance with the Committee's recommendation. We all hope that Mrs. Cohen will quickly be restored to full health, but I think that further comment from Members of the House is probably otiose, as is often the case in such circumstances. We have a clear recommendation before us, and unless there are strong reasons to disagree with the view of the Standards and Privileges Committee, it is proper for the House to agree to its recommendation. That is certainly what I urge my right hon. and hon. Friends to do.

Question put and agreed to.

Constitutional Reform and Governance Bill (Money) (No. 2)

Queen's recommendation signified.

4.31 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I beg to move,

That, for the purposes of any Act resulting from the Constitutional Reform and Governance Bill, it is expedient to authorise—

(1) the payment out of money provided by Parliament of sums required by virtue of the Act to be paid out of money so provided into the Parliamentary Contributory Pension Fund;

(2) the payment out of the Consolidated Fund of—

(a) amounts required by virtue of the Act to be paid out of the Consolidated Fund in respect of transfer values paid into the Consolidated Fund,

(b) interest required by virtue of the Act to be paid on those amounts, and

(c) any increase attributable to the Act in the sums payable out of the Consolidated Fund by virtue of any other Act.

Colleagues will recall that there was a money resolution for the original Parliamentary Standards Bill, as there is for any Bill that cannot be implemented without the expenditure of money. This further money resolution is required because, in implementing the proposals of the Committee chaired by Sir Christopher Kelly, we are extending the powers and duties of the Independent Parliamentary Standards Authority, not least to include responsibility for setting and administering the pensions of Members of Parliament and Ministers. For that reason and others, this further money resolution is required, and I commend it to the House.

4.32 pm

Mr. Dominic Grieve (Beaconsfield) (Con): I am happy to support the motion.

4.32 pm

Mr. David Heath (Somerton and Frome) (LD): I concur.

Question put and agreed to.

CONSTITUTIONAL REFORM AND GOVERNANCE BILL (WAYS AND MEANS) (NO. 2)

Resolved,

That, for the purposes of any Act resulting from the Constitutional Reform and Governance Bill, it is expedient to authorise the imposition of charges to tax as a result of a person's membership of the House of Commons or the House of Lords.—*(Mr. Wills.)*

CONSTITUTIONAL REFORM AND GOVERNANCE BILL (PROGRAMME) (NO. 5)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the Order of 3 November 2009 in the last Session of Parliament (Constitutional Reform and Governance Bill (Programme) (No. 2)), as varied by the Orders of 19 and 26 January 2010, be further varied as follows:

(1) in paragraph 2, for 'five days' there shall be substituted 'six days';

(2) in the Table, for the entry relating to the fifth day of Committee there shall be substituted:

TABLE

Fifth day

Proceedings	*Time for conclusion of proceedings*
New Clauses and new Schedules relating to the Parliamentary Standards Act 2009 or the European Parliament (Pay and Pensions) Act 1979 or to pensions for members of the House of Commons, Ministers or other office-holders, new Clauses and new Schedules relating to the tax status of members of the House of Commons or members of the House of Lords.	The moment of interruption on the fifth day.

Sixth day

Proceedings	*Time for conclusion of proceedings*
Remaining new Clauses and remaining new Schedules, Clauses 59 to 62, remaining proceedings on the Bill.	The moment of interruption on the sixth day.

—(Mary Creagh)

The House divided: Ayes 246, Noes 187.

Division No. 66] **[4.34 pm**

AYES

Abbott, Ms Diane
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bain, Mr. William
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Dean, Mrs. Janet
Denham, rh Mr. John
Dismore, Mr. Andrew
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Etherington, Bill
Farrelly, Paul
Field, rh Mr. Frank
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Meale, Mr. Alan
Merron, Gillian
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruddock, Joan
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Jacqui
Soulsby, Sir Peter
Southworth, Helen
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari

Timms, rh Mr. Stephen
Touhig, rh Mr. Don
Truswell, Mr. Paul
Turner, Dr. Desmond
Ussher, Kitty
Waltho, Lynda
Ward, Claire
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Woolas, Mr. Phil
Wright, David
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Bob Blizzard and Mr. Dave Watts

NOES

Afriyie, Adam
Alexander, Danny
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Baker, Norman
Baldry, Tony
Barker, Gregory
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Djanogly, Mr. Jonathan
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evennett, Mr. David
Fabricant, Michael
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Stephen
Hands, Mr. Greg
Harper, Mr. Mark
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hemming, John
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Horam, Mr. John
Howarth, David
Howell, John
Hughes, Simon
Huhne, Chris
Hunt, Mr. Jeremy
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Key, Robert
Kirkbride, Miss Julie
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lansley, Mr. Andrew
Laws, Mr. David
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Main, Anne
Malins, Mr. Humfrey
Maples, Mr. John
Mason, John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Milton, Anne
Mitchell, Mr. Andrew
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prentice, Mr. Gordon
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Rennie, Willie
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simpson, Mr. Keith
Smith, Chloe
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Taylor, Mr. Ian
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Villiers, Mrs. Theresa
Walker, Mr. Charles
Walter, Mr. Robert
Watkinson, Angela
Webb, Steve
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Wishart, Pete
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mr. Brooks Newmark and Jeremy Wright

Question accordingly agreed to.

Constitutional Reform and Governance Bill

[Relevant documents: Report of the Joint Committee on the Draft Constitutional Renewal Bill, Session 2007-08, HC 551-I and -II, and the Government response, Cm 7690. Tenth Report from the Public Administration Select Committee, Session 2007-08, on Constitutional Renewal: Draft Bill and White Paper, HC 499, and the Government response, Cm 7688. Fourth Report from the Joint Committee on Human Rights, Session 2009-10, on Legislative Scrutiny: Constitutional Reform and Governance Bill: Video Recordings Bill, HC 249.]

[5TH ALLOCATED DAY]

Further considered in Committee

[SYLVIA HEAL *in the Chair*]

New Clause 70

PARLIAMENTARY STANDARDS: COMPLIANCE OFFICER

'(1) For section 3(3) and (4) of the Parliamentary Standards Act 2009 (Commissioner for Parliamentary Investigations) substitute—

"(3) There is to be an officer known as the Compliance Officer for the Independent Parliamentary Standards Authority ("the Compliance Officer").

(4) Schedule 2 (which makes provision about the Compliance Officer) has effect."

(2) For Schedule 2 to that Act substitute the Schedule set out in Schedule [Parliamentary Standards Act 2009: substituted Schedule 2].'.—*(Mr. Straw.)*

Brought up, and read the First time.

4.52 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I beg to move, That the clause be read a Second time.

The First Deputy Chairman of Ways and Means (Sylvia Heal): With this it will be convenient to discuss the following: Government new clause 71—*Parliamentary standards: Membership of Speaker's Committee.*

Government new clause 72—*Parliamentary standards: Transparency etc.*

Government new clause 73—*Parliamentary standards: MPs' salaries.*

Government new clause 74—*Parliamentary standards: MPs' allowances scheme.*

Government new clause 75—*Parliamentary standards: Allowances claims.*

Government new clause 76—*Parliamentary standards: MPs' code of conduct relating to financial interests.*

Government new clause 77—*Parliamentary standards: Investigations.*

Government new clause 78—*Parliamentary standards: Enforcement.*

Government new clause 79—*Parliamentary standards: Relationships with other bodies etc.*

Government new clause 80—*Parliamentary standards: Further functions of the IPSA and Commissioner.*

Government new clause 81—*Expiry of provisions of the Parliamentary Standards Act 2009.*

Government new clause 82—*Parliamentary standards: Consequential amendments.*

Government new clause 83—*Resettlement grants for MEPs.*

Government new clause 84—*Parliamentary standards: Parliamentary pensions.*

New clause 87—*Duty to offer advice to Members on claims*—

'In section 6 of the Parliamentary Standards Act 2009 after subsection (2) insert—

"(2A) There shall be a duty on the Chief Executive Officer of IPSA and his staff to offer advice to Members on claims prior to formal submission and to promote best practice."'.

Government new schedule 6—*Parliamentary Standards Act 2009: substituted Schedule 2.*

Government new schedule 7—*Parliamentary Standards Act 2009: new Schedule 4.*

Government new schedule 8—*Parliamentary standards: consequential amendments.*

Government new schedule 9—*Parliamentary and other pensions.*

Amendment (a) thereto, in paragraph 1(3), after 'Service', insert

'and persons the IPSA considers to represent those likely to be affected by the scheme.'.

Government amendment 133.

Mr. Straw: There are a lot of new clauses and new schedules in this group, but on this occasion I have a better explanation for that than is often the case, and it is as follows. The Committee will recall—in technicolour—how important it was for us to reach agreement before the summer on what became the Parliamentary Standards Act 2009, in order that the Independent Parliamentary Standards Authority established under that Act could be in place and operating from the beginning of the forthcoming financial year, which starts on 1 April. Meanwhile, the Committee on Standards in Public Life, under Sir Christopher Kelly, was meeting, and as I explained in my evidence to Sir Christopher and his colleagues, we accepted that the committee might well make some recommendations that would require amendments to be made to the 2009 Act. That has, indeed, happened. Members will also recall that the leaders of all three main parties—indeed, effectively, of all the parties represented in the House—said they wished Sir Christopher's report to be implemented in full. These new clauses and new schedules seek to do exactly that.

Before I come on to discuss briefly the details of these many new measures, let me also say that the major part of the recommendations made by Sir Christopher Kelly will be implemented not so much by legislation, but by the powers and duties of IPSA. Sir Ian Kennedy and his IPSA members have already got a consultation under way on the form of allowances, and much else besides. I know that they are making themselves available for such consultation and that many Members have attended the open meetings that Sir Ian has held, but I urge Members who wish to make a response to do so by the close of the consultation on 11 February.

The report contained 10 recommendations requiring further primary legislation, as they relate to the structure and functions of IPSA, which are governed by the Parliamentary Standards Act 2009. I shall now go through the recommendations, discussing first those relating to the status and enforcement powers of the compliance officer and then dealing with those relating to the new arrangements for determining Members' pay and pensions. A great debate took place—the shadow Leader of the House will recall it, because he was a participant—both in this Chamber and literally below it, in the cross-party consultations that were held downstairs, about where the investigator of complaints against the schemes that were to be enforced by IPSA would be situated. The debate was about whether the investigator would be part of IPSA, whether his role would be separate from it but alongside it—detached from Parliament—or whether he would be within the House.

I shall not go back over the rather tortuous debate that took place, but I can tell hon. Members that we ended up with a Commissioner for Parliamentary Investigations who, in a way, straddled both the House and IPSA. The 2009 Act also made provision for the Parliamentary Commissioner for Standards—currently Sir John Lyon—to be double-hatted, if the House wished, with the commissioner appointed under the original Act. Sir Christopher and his colleagues said that they wanted there to be a separation; they proposed that decisions on the financial code of conduct should be returned to the Commons so that that would become entirely a Commons matter, while compliance in respect of the system that they proposed should be operated by IPSA which would be separate and removed from the House.

That is what we are proposing. There will be a compliance officer, but we then need to consider who appoints the compliance officer. One of the reasons for the length of the provisions before us is that, as the Committee will readily recognise, it is often one thing to describe in prose what one wants to do—as Sir Christopher and his colleagues did—but it is an often more complicated matter to set it out in legislation that can be enduring and clear. For that reason, some of the new clauses and new schedules are extensive.

Peter Bottomley (Worthing, West) (Con): The Justice Secretary has explained that the compliance officer will work with IPSA. Those of us who are not up-to-date with all this would understand from what he said that we will also have a parliamentary commissioner who will deal with non-pay, non-money and non-allowance matters. If that is so, what are the limits to what the parliamentary commissioner might take a look at?

Mr. Straw: The role of the parliamentary commissioner is to enforce the various codes—Standing Orders—that the House has established to deal with, for example, declarations of interest. That is the most obvious example, but included in that would also be examples of advocacy in the House—cases where somebody has been taking money from a particular organisation or individual to advocate a cause and has then failed to disclose that—and many other matters. The enforcement of the rules about allowances, for example in respect of office costs, travel and accommodation, is plainly a matter for IPSA and therefore would fall to the compliance officer.

We have separated the two roles, as set out in the group of amendments. The Committee will note that new clause 70 provides for the appointment of a compliance officer and that one of new schedules sets out in more detail how that officer would be appointed and how he or she could be removed.

5 pm

Sir George Young (North-West Hampshire) (Con): Further to the intervention from my hon. Friend the Member for Worthing, West (Peter Bottomley), will the terms of reference of the Standards and Privileges Committee and the Parliamentary Commissioner for Standards then be constrained, so that it will not be possible to refer the matters to which my hon. Friend referred to them?

Mr. Straw: It is subject to any advice that we get from those at the Table, but the responsibilities of the John Lyon figure and the Standards and Privileges Committee are entirely a matter for the House, full stop. These changes do not deal with that. What is in the tin will be on the tin. This is about the Independent Parliamentary Standards Authority and its responsibilities to establish and administer schemes for the payment of pay, pensions and allowances and to ensure that there is proper compliance with those schemes not only by Members of this House but by the chief executive officer and staff of the authority. So, there is a separation.

Somebody has to appoint the compliance officer. It was implicit and partially explicit that since the compliance officer had to be separate from the House, the appointment of the compliance officer could not be made by it. The question was then, "Who else could appoint the compliance officer?"

Mr. David Heath (Somerton and Frome) (LD) *rose*—

Mr. Straw: I will give way in one second.

Various suggestions were made informally, including that we could perhaps ask the Judicial Appointments Commission to appoint the compliance officer. I should say, given that I am responsible at arm's length for the Judicial Appointments Commission and have a role in the appointment of members of the judiciary, too, that we did consider that option seriously but decided that it was not appropriate to give the JAC an one-off responsibility for a position that, although it has to follow principles of natural justice, is, at best, quasi-judicial rather than judicial.

The solution on which we landed was that the IPSA board would appoint the compliance officer. There is nothing unusual about that, and Sir Christopher Kelly explicitly drew a parallel between the compliance officers of the Department for Work and Pensions who deal with benefits and those of Her Majesty's Revenue and Customs who deal with tax. Those departmental compliance officers are certainly not subject to any sort of elaborate arm's length appointment procedure, as in this case, but, as we all know when we take up complaints about benefits, they can still operate at arm's length from those who are responsible for the day-to-day administration of the benefits system.

We also pointed out to Sir Christopher—it was, frankly, merely an omission from his scheme—that, these days, if there is an appeal against a decision by a compliance

[Mr. Straw]

officer in DWP or HMRC, it goes to a first-tier tribunal. Appeals on tax used to go to the commissioners, but they now go to a first-tier tribunal. They can then proceed up to the appeals tribunal and, if there is a serious point of law, to the senior courts. We are proposing exactly that arrangement for decisions reached by the compliance officer in terms of parliamentary standards. I think that must be right.

The schedule sets out how the compliance officer will be appointed and the powers to remove him or her from office are very tightly constrained. Once appointed, the compliance officer will be an independent office holder who will not be accountable to IPSA for the decisions that he or she might take. Kelly, whose recommendations we are seeking faithfully to implement, did not want an arrangement by which the compliance officer was appointed by some other third party. I commend to the Committee where we have landed on that point.

In new clause 87 tabled by the right hon. Member for Hampshire North-East, one issue—

Sir George Young: North-West. It was a 50:50 chance.

Mr. Straw: I did not do badly. The right hon. Gentleman used to represent Ealing; that is the problem.

Sir George Young: Ealing, Acton.

Mr. Straw: I am not quite as old as the right hon. Gentleman, but I am getting on that way.

The terms of new clause 87 are linked to concerns about how even-handed the compliance officer and the appeal system will be. Many colleagues have raised questions informally with me, as I am sure they have with other Members of the House, about what will happen if a Member runs into difficulty not because of any malfeasance or failure on their part but because of maladministration by IPSA, its chief executive or staff. The answer is that the compliance officer will be able to investigate complaints not only against individual Members, but against the authority and its offices.

Mr. Mark Field (Cities of London and Westminster) (Con): I am still slightly unclear about something, perhaps because I have not picked up some of the nuances of earlier interventions. Will there still be an overlap between what the compliance officer does and the work of the Select Committee on Standards and Privileges? Or is it envisaged that issues that are directly within IPSA's ambit will be matters entirely for the compliance officer, and that the Committee will therefore deal only with other issues? A failure to create such a separation will lead to overlap and ever more confusion, which will not be very helpful and will be very expensive for the taxpayer.

Mr. Straw: Day by day, those responsibilities will not overlap, but there must be the overlap that I am describing. I think that the Committee accepts that. Without that overlap, the system could be subject to outrageous abuse. That is unlikely, given what the House and Members, whether they have transgressed or not, have been through in the past year, but one can ever be surprised. If there were such an abuse—a serious fraud, which might involve police prosecution—the case would go to the compliance officer and a civil sanction might be imposed, as might a requirement to repay money. However, if the abuse were particularly outrageous, the compliance officer might decide to refer the case to the Standards and Privileges Committee, with a view to the relevant person being expelled or suspended from the House. There is no rule here, any more than there is a rule in real life, that says that if one transgresses criminal law or a statutory code, the only consequences that will follow will be those related directly to the transgression of that law or code. If one transgresses criminal law and the case is serious enough, one might go to prison, but one might also lose one's job. Police officers who transgress the criminal law and the disciplinary code may lose not only their liberty and their job, but, in extreme circumstances, their pension as well. When I was the Home Secretary, I had to take decisions on such matters. The measures I am outlining will run parallel to such systems. I hope that that satisfies the hon. Gentleman. We do not propose that there should be second-guessing, or two parallel systems of enforcement.

Peter Bottomley: No one would claim that these are easy things. It seems clear from what the Secretary of State has just said that nothing in today's proceedings on the Bill will alter the parliamentary commissioner's responsibilities in any way. If some of the things that the parliamentary commissioner is now responsible for will fall to the compliance officer, there is clearly an opportunity for overlap or double dealing. I suspect that we can expect the compliance officer and the parliamentary commissioner to ensure that that does not happen; they will reach an agreement.

Another issue that the Secretary of State has just raised relates to crime. A provision in new clause 79, which appears on page 662 of the amendment paper and is entitled "Parliamentary Standards: Relationships with other bodies etc", states:

> "The powers conferred by sections 9 to 9B (and Schedule 4) may be exercised...even if...the member is or has been the subject of criminal proceedings in relation to that conduct...whether or not convicted."

I hope that he will explain at some stage how the two things can go along together. I do not object to that, but it should be done explicitly.

Mr. Straw: Colleagues will know—it is a well-trodden path—that if someone was convicted of a serious offence, they would normally come within the automatic disqualification. Let us say that the penalty imposed by the criminal courts was less than the 12 months in prison that would require automatic disqualification. Let us say that someone was acquitted in a criminal court but the facts had been admitted and the acquittal rested on a technical matter, or that the facts had been admitted but the extent of the mens rea—the individual's guilt—was challenged and the jury decided on balance to acquit them. The jurors are saying that the person is not guilty, according to the criminal standard of proof; they are not saying that the person is innocent.

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): They are not saying that the person is guilty either.

Mr. Straw: No, they are saying that the person is not guilty, according to the criminal law. As happens very often in employment law, an acquittal will not exempt

the individual from appropriate proceedings under employment legislation and the contract of their employment, because the standard of proof is lower, as everyone who has ever employed anyone knows. However, I do not anticipate that this will be a huge problem in practice.

Under new clause 75, an MP who is dissatisfied with IPSA's decision to refuse a claim can ask the compliance officer to conduct a review, having first given IPSA reasonable opportunity to conduct its own review. There could be an appeal against that decision as well. So the Member could go all the way and appeal against a refusal by the authority. I hope that, in practice, such appeals will be few and far between.

Under new clause 87, which appears on page 665 of the amendment paper, the right hon. Member for North-West Hampshire (Sir George Young) wishes to add a new subsection to section 6 of the Parliamentary Standards Act 2009 that states:

"There shall be a duty on the Chief Executive Officer of IPSA and his staff to offer advice to Members on claims prior to formal submission and to promote best practice."

Aside from the inevitable drafting problems, which can always be resolved, I hope that the right hon. Gentleman will not push that new clause to a vote, given the undertakings that I am providing. I understand exactly what he wants to achieve.

Ultimately, this is a matter for the House, but we are concerned to ensure that, if possible, the members of IPSA embrace what we are attempting to achieve and that it is practical in terms of their administration. They will certainly offer guidance in any event. I can think of cases from my own experience—they are nothing whatever to do with questionable expenses, but with straightforward matters that relate to the running of my office—where I have phoned someone in the Department and said, "Is this in line with the rules? I can't find it anywhere in particular," and they have said, "Yes," and then paid it, or they have paid it for a number of years and then said, "We don't think that it should be paid anymore," at which point I say, "I'm now in a slight difficulty. Do you think that you could think again, and by the way, here is the paper trail?" There is no fiddle; we must know where we are. Contrary to what is often thought outside, we do not have our own compliance officers. Assiduous Members of Parliament are busy, and we are trying to run what amount to small businesses, while abiding by what will be increasingly complicated, as well as very public, rules.

Mr. Mark Field: I recognise that, as the Secretary of State rightly says, all of us are busy, though I am sure that we will all have learned the lesson that all the forms and applications for expenses and allowances must be completed by us, and that we should not rely on office staff to do that. We all know that there have been some terrible abuses, but where an open and transparent claim has been signed off, the biggest concern and the aspect that has aroused the anger of many Members of Parliament on the grounds of natural justice has been the attempt at retrospection—a very successful attempt under Sir Thomas Legg—going back some years.

I have always said that the rules were far too lax and that, in many ways, Members cannot complain. None the less, the issue that arises, which my right hon. Friend the Member for North-West Hampshire (Sir George Young) has tried to address, is the need for some sort of clearance process. That would apply if we had a compliance officer. If an open and transparent claim is made and accepted, surely it is wrong that many years later a Member should be expected to repay or more importantly, even if repayment is made, should be seen to have committed wrongdoing, where in fact there has been openness, transparency and the opportunity for clearance. Does the Secretary of State not see that there would be great benefits from putting in place some sort of clearance process that would avoid such problems in the future?

Mr. Straw: I accept entirely the burden of what the hon. Gentleman says. The issue is how to achieve that. Let us suppose that in such a case, the authority says, "We shouldn't have agreed this amount for training or for cleaning," and the Member says, "Sorry, but you did, and I did this in good faith"—there was no trickery, and on the face of it, the claim was entirely consistent with the rules. One of the things that we need to consider between now and Report is how to ensure that there is a clear power available to the compliance officer, to the first-tier tribunal and so on, to say, "There has been a technical transgression here. We accept now that the authority is right to say that there was an error, but this was nothing whatever to do with the Member, so we are not requiring any repayment."

5.15 pm

IPSA is clear, as are we all, that the rules must be much more categorical. Let us take as an example the issue that has not affected me, but has affected a number of Members, who are understandably sore about it—levels of cleaning costs, which were set retrospectively by Sir Thomas Legg at £2,000. My understanding is that some right hon. and hon. Members claimed considerably in excess of that. I am trying to remember whether cleaning costs are provided for. To the extent that an item is provided for, the parliamentary authority and the House have been much more specific.

The first way of avoiding the need for detailed advice is to be clear about what can be paid and what cannot be paid. That said, there will always be areas where discretion has to be exercised, just as the Revenue, day by day, has to exercise discretion, as do tax accountants, about what is wholly, necessarily and exclusively incurred in pursuit of the individual's employment, which is the mantra for schedule E. Since that definition is taken straight from tax law, and is the fundamental test, aside from the specifics of the regulations as to whether an expenditure is acceptable, there is bound to be some scope for debate. I accept that some measure of guidance, good practice and consistency, which we did not get from the Fees Office all the time, will be very helpful.

The other side of this is that the Independent Parliamentary Standards Authority does not want to be in a position where somebody phones up and, in good faith, a member of staff says, "We think you should do such and such." The member of staff may not be a senior member and is just giving informal advice, but that is regarded as holy writ. Nobody is suggesting that that should happen. I promise that between now and Report we will discuss the matter actively with colleagues here to try and reach wording that is acceptable to Members of the House and as far as possible to Sir Ian Kennedy and his colleagues on the authority.

New clauses 73 and 84 and new schedule 9 relate to Members' pay and pensions. The Committee will recall that on 3 July 2008 we took the long-overdue decision to end the practice, which was unseemly to say the least, of determining our own pay and voting for our own pay increases. We passed a resolution saying that responsibility for determining pay should go to the Senior Salaries Review Body, and we established a formula for that. The Kelly committee argued that one body should be responsible for considering in the round, and determining the full remuneration package for, Members' pay, pensions and expenses. We now propose that all that, in respect of pay and pensions structure, be shifted from the SSRB and the House to the Independent Parliamentary Standards Authority.

Peter Bottomley: This may be helpful to the Minister. New clause 73(2) and (3) deal with MPs' salaries. It is probably better if I do not read out both, but subsection (2) states:

"The first determination under section 4(4) of the Parliamentary Standards Act 2009 does not have to come into effect before 1 April 2012."

Presumably, subsection (3) states how matters will be determined until then, but I am not sure that the meaning is obvious to everyone listening to our debates or even to everybody in the Chamber.

Mr. Straw: I have been through those provisions in some detail. Indeed, I did so when they were draft provisions, and I suggested to parliamentary counsel that the wording be made clearer. It is now clearer than it was, although the hon. Gentleman does not have the benefit of having seen the earlier drafts. IPSA does not believe that it has the capacity to set up—*[Interruption.]* Yes, I thought that that was the case, but I am very grateful to the Whip, as ever, for giving me instructions. IPSA, for very good reason, does not believe that it has the capacity to undertake and implement a major review of parliamentary salaries before 1 April 2012, and I am very grateful to the Whips, as ever, for keeping me in order. In the interim, the existing arrangements, which are based on the July 2008 decision of the House, will apply. They will apply until the provisions before us come into force.

The hon. Gentleman will note that subsection—

Peter Bottomley: Six?

Mr. Straw: There is some very odd numbering in new clause 73, and that is something that I had not noticed before. It goes (1), (2), (3), (4), (5), (6), and (7), and then (2) and (3), but anyway, new clause 73(2), on page 657 of the amendment paper, indicates that the key provisions in the new clause would not come into force until 1 April 2012.

New schedule 9 would provide for IPSA to make pension schemes for MPs, and for the Minister for the Civil Service to make pension schemes for Ministers and certain other officeholders, such as the Leader of the Opposition. That contrasts with the current arrangements, whereby the Leader of the House determines pension arrangements through regulations.

Sir George Young: Can the right hon. Gentleman tell the Committee what discussions took place with the trustees of the parliamentary pension fund and others before these amendments were tabled?

Mr. Straw: I cannot say precisely what discussions took place with the trustees. However, I can tell the right hon. Gentleman about conversations that I have had, particularly with my right hon. Friend the Member for Islwyn (Mr. Touhig), on behalf of the chairman of the trustees, who is currently indisposed through illness. I hope to give the Committee some comfort about two key issues that the trustees have raised with me.

The first issue relates to accrued rights—that is, the rights to a pension that Members have already accrued. These provisions are silent on whether IPSA could change accrued rights peremptorily, and there is some anxiety about that. That is no part of our intention, nor that of IPSA. The Committee will be aware that section 67 of the Pensions Act 1995 sets out the requirements that have to be followed if there are proposals to change accrued rights. If a [illegible] protective modification is to be made, the informed consent of the Members affected is required. Since what we are seeking to do through the whole IPSA arrangements is to put Members of Parliament in no better and no worse a position than members of the public in ordinary employment, we accept that there should be a similar protection for accrued rights. Discussions have taken place about how that might be done. Officials are considering whether, for example, provisions for Members' pensions should hook in with the provision in the 1995 Act, which might be the most sensible way of doing it.

The second issue, which relates to trustees, has been raised by several Members, including my hon. Friend the Member for Ellesmere Port and Neston (Andrew Miller). I have been to Ellesmere Port many times—*[Interruption.]* No, it was not briefly at all. There is a huge petrol refinery there, and when we almost ran out of petrol in September 2000, and I was Home Secretary and therefore to blame, I made it my business to visit all the refineries in the country to try to avoid a similar crisis happening again. That is why I know my hon. Friend's constituency intimately.

The provisions as drafted give IPSA the right to appoint whomsoever it wishes as trustees. There is provision in the Pensions Act 2004 that at least one third of trustees of any pension scheme should be representative of the members of the scheme. We propose to look at that to see whether such a provision could be brought in as an amendment on Report.

Andrew Miller (Ellesmere Port and Neston) (Lab): I accept what my right hon. Friend has said about the 1995 scheme in relation to accrued rights; that would be a sensible mechanism to develop. On his second point, under these provisions IPSA appears to have the power to remove a trustee from the fund. Under the 2004 Act, there are circumstances in which the trust body collectively can effectively dismiss a trustee. Can we be sure that my right hon. Friend does not intend to go any further than the requirements of the 2004 Act?

Mr. Straw: It is not our intention to do that. I cannot be absolutely certain that the wording does not take it further—that is why we are actively examining the matter. We will consult very quickly and come back with modifications, which I hope will accommodate the Committee's wishes.

5.30 pm

Peter Bottomley: The hon. Member for Ellesmere Port and Neston (Andrew Miller) did not read out paragraph (1)(3) of new schedule 9, which states:

"The IPSA may, after consulting the Minister for the Civil Service... remove a trustee of the fund".

It then refers to paragraph (3), of which sub-paragraph (4) states:

"No provision of a scheme under this paragraph is to be construed as restricting the powers of the trustees under paragraph 2(1)."

Now is not the time to become discursive about what that may or may not mean, but I know of no pension scheme, outside the civil service, where the Minister for the civil service can be the only person who comments on a proposal to dismiss one or all trustees. I am therefore grateful to the Justice Secretary for saying that he will think more about the matter.

Mr. Straw: Point taken.

One of the amendments would remove the sunset clause, which I never wanted in the first place, so I am delighted to recommend it. I do not think that that will require further amendment.

Sir George Young: The Committee is grateful to the Secretary of State for his lucid explanation of a rather complicated series of amendments, which seek to implement the Kelly recommendations.

Two months ago, there was some confusion in the Government as it was not clear that we would get the changes before a general election. Immediately after the report was published, all the party leaders said that it should be implemented in full. Although most of it was about the arrangements for IPSA, which are its responsibility and not ours, important proposals were designed to strengthen it, which the Committee on Standards in Public Life identified as requiring primary legislation. However, that was not mentioned in the Queen's Speech and, when cross-examined on the matter, the Prime Minister looked somewhat baffled. Then there was confusion, with half the Government claiming that no new legislation was necessary and the other half promising to do everything that was necessary.

The Leader of the House appeared to take both positions at once. At business questions on 19 November, she conceded that some of the proposals would require legislation. She then said that they could be introduced "next Session", but subsequently seemed to backtrack by suggesting that no legislative changes were necessary

"because the power in question already exists under the Parliamentary Standards Act 2009."—[*Official Report*, 19 November 2009; Vol. 501, c. 136.]

We are therefore grateful for the smack of firm government from the Secretary of State, who has decided that we need to make progress this afternoon and in this Session.

As we have said throughout, it must be right for us to do everything in our power to ensure that the next Parliament can start with a clean sheet. While the Government still have a monopoly on the House's time, it is up to them to ensure that we get through all the reforms that are needed to allow the next generation of Members of Parliament to do their jobs, without being associated with the bad practice that has left the current Parliament so badly discredited.

The amendments deal with the concerns that Kelly raises in his report about the remit and structure of IPSA. As he says, the new regulator "bears the scars" of the haste with which the Parliamentary Standards Bill was expedited through Parliament last summer. Many voices in both Houses urged caution at the time. Although we agreed with the Government on the need to demonstrate our commitment to urgent reform, it was inevitable—as my hon. Friend the Member for Rutland and Melton (Alan Duncan) said at the time—that we would need to revisit the Bill at a future date.

Given that Parliament spent a great deal of time last July trying to sort out some of the constitutionally challenging aspects of the Bill—particularly those to do with privilege—it is right that we return now to look more closely at the role and responsibilities of IPSA.

Much of what is before us has our unconditional support. We agree that the sanctions regime should be toughened, as it is in new clause 74, which would give IPSA the power—which the House exercised a few moments ago—to dock money from the resettlement grant for serious breaches of the allowances regime.

We wholeheartedly endorse the move to give IPSA responsibility for determining and administering our pay and pensions, for which we have consistently called, to ensure that MPs no longer have a hand in our own remuneration. We should note that, despite a newspaper article last week, asserting that colleagues could be awarded a backdated pay increase by IPSA, that is not possible under new clause 73, which states in proposed new section 4A(5) to the Parliamentary Standards Act 2009 that a salary determination

"other than the first determination"

may have retrospective effect. I doubt whether Sir Ian Kennedy would oblige in any case, and I shall return to pensions in a moment.

We accept new clause 76, which will return to the House responsibility for maintaining the Register of Members' Financial Interests and the code of conduct. As we warned at the time, giving IPSA responsibility for those matters could result in privilege disputes, which would be an unwelcome distraction from IPSA's main tasks.

We support new clause 71, which appoints lay members to the Speaker's Committee for IPSA, which is an example of good practice. Their input to the Committee's deliberations will be helpful to broaden the base of experience and viewpoint.

We also welcome new clause 72, which gives additional statutory duties to IPSA to carry out its functions and to support Members in their parliamentary roles in an

"efficient, cost-effective and transparent"

manner.

A number of colleagues raised legitimate concerns about IPSA's running costs during the debates last summer. Sir Ian Kennedy's consultation document gives us an idea of how IPSA will operate, including on pre-scrutiny and permission giving, scrutiny of claims, appeals, post-claim audits, regular audits of staff working practices and office set-ups, and administration of a loan scheme for MPs, to which we will today add responsibility for paying and setting MPs' salaries, and administration of pensions. IPSA will also run a very substantial property empire if the proposals for renting accommodation for MPs go ahead.

[Sir George Young]

In short, the processes being developed in IPSA are extremely wide ranging and likely to require a large staff to implement. We need to ensure a proper balance between the necessary checks and scrutiny of claims and value for money for the taxpayer. The Government have so far not provided costings for the likely extra administrative impacts that the proposals will have on IPSA. A money resolution was made earlier, but no figures were attached to it. Will the Secretary of State give an estimate of the additional costs of the proposals before the Committee?

We have no concerns about new clause 81, which repeals the sunset provisions originally included in the Parliamentary Standards Act 2009. They were originally included because of the extraordinary haste with which we dealt with that measure, but the opportunity to return to the matter now, afforded to us by Kelly, allows us to put those concerns to rest.

I welcome those measures, but I shall now turn to the Government proposals that merit further attention, and it would be useful if the Secretary of State responded to some of the points I am about to make. New clause 70 and new schedule 6 introduce the most radical departure from the 2009 Act by scrapping the external Commissioner for Parliamentary Investigations and replacing him with an internal compliance officer. That relates to recommendation 44 in the Kelly report.

The Committee on Standards in Public Life was concerned about the confusion that would be caused by having a Parliamentary Commissioner for Investigations examining financial wrongdoings, and the Parliamentary Commissioner for Standards looking at cases in which Members have, for example, breached the code of conduct, unless that breach related wholly to expenses or the rules on financial interests. Of course, the Committee has a point. However, does new clause 79 create an equal source of duplication? That was mentioned in earlier exchanges. Proposed new section 10A(3) of the 2009 Act states:

"Nothing in section 9 to 9B (or Schedule 4) affects the disciplinary powers of the House of Commons."

I think I understand what the Government are aiming at, but the proposal means that Members who breach the rules can be submitted to the disciplinary processes of the House, including possible suspension, and then be liable to be turned over by IPSA for the same offence. That strikes me as double jeopardy, and I wonder whether the Government think that desirable.

On top of that, we have IPSA's compliance and enforcement regime, which, as envisaged by the proposals, raises some rather profound issues. Under schedule 2 to the 2009 Act, the commissioner for investigations was to be appointed by Her Majesty, with the terms and conditions to be determined by Mr. Speaker. However, under new schedule 6, the compliance officer, as the Secretary of State said, will be appointed by IPSA, with terms and conditions to be determined by IPSA. Indeed, proposed new schedule 2(9) to the 2009 Act will allow IPSA staff to double-job with the role of the compliance officer for up to six months if there is a vacancy.

Before, we had a proper firewall between the investigator and the day-to-day administration of IPSA, but that has now gone. This is important because, in my experience of cases in which Members have been accused of a financial misdemeanour, sometimes the source of the error can be traced to misdirected advice from the Fees Office, as the Secretary of State mentioned. Two recent Standards and Privileges reports underline this. In one, the Parliamentary Commissioner for Standards notes that the Department of Resources was forced to conclude that "in retrospect" advice given to one Member was "flawed" and that the Member

"cannot be blamed for taking the advice he was given"

In another, the Committee is more scathing, concluding that

"the House authorities' failure to act on the deadline they had themselves set for"

the Member

"to bring his second home arrangements within the revised rules was equally serious and that it allowed a highly unsatisfactory state of affairs to continue for far too long. This failure does not absolve"

the Member

"of his responsibilities, but it is something that causes us great concern".

The Government may be proceeding on the basis that IPSA will so efficiently administer the new regime that such misunderstandings will not recur. I think that that would be a heroic assumption. In the provisions on "Investigations", in new clause 77, in proposed new section (9)(6), we see that, in the event of an investigation, the compliance officer will be asked to prepare a statement of his original findings which may include

"findings about the role of the IPSA in the matters under investigation".

As the Bill is drafted, the compliance officer will therefore be asked to pass judgment on either the rules or the people within the organisation by which he is employed. Moreover, proposed new section (9A)(1) states:

"IPSA must determine procedure, to be followed by the Compliance Officer in relation to investigations".

However, that would begin to compromise the independence of the current system. At present, the Parliamentary Commissioner for Standards follows his own rules, rather than those provided by the House, but under the Bill we would have a compliance officer appointed, employed and thus constrained by IPSA. That is exactly what the Commissioner for Standards warned against in evidence to Kelly.

The committee dismissed the concerns by citing the satisfactory working of "similar compliance roles" in HMRC. That is not the best comparison. In HMRC, the adjudicator works as a referee holding HMRC to account on behalf of its customers—the taxpayers. That is the normal role of a compliance officer in the financial services industry. But this is not what we are asking of this compliance officer, who would be holding the customers to account on behalf of the regulator, even in situations where the regulator itself had erred.

This debate is taking place against the backdrop of Legg and Kennedy and the appeals, some of which have already leaked into the public domain. As has been demonstrated by the press reports, the interpretation of the rules is a complex task. In some cases, the Fees Office, Members, Legg and Kennedy have all reached different conclusions about the same case. However hard IPSA tries to remove any ambiguity from the new regime, the rules will never be codified and there will always be grey areas. That is why we all thought back in

July that it was so important to have an external investigator who has the independence to come to a final, considered judgment.

I wish to make one further point about the compliance officer. Although the original Act stipulated a role for a Parliamentary Commissioner for Investigations, the position was not advertised or appointed at the same time as those of Sir Ian Kennedy or the other members of IPSA. It may be that the Government were envisaging that John Lyon would take over both roles in the future. Whatever the reason, the idea of a Commissioner for Parliamentary Investigations was quietly dropped after Kelly. As things stand now, IPSA will not be able to appoint the new compliance officer until after Royal Assent has been given to this Bill. Given that IPSA aims to be fully operational by the beginning of the next Parliament, do the Government think that they will be able to fill the compliance officer post in time? If not, what will be the procedure for complaints?

We also left hanging in the air the question posed by my hon. Friend the Member for Worthing, West (Peter Bottomley) about dual mandates. Unless something happens to the rules within the House, it will still be possible for a constituent to make a complaint to the Parliamentary Commissioner for Standards at the same time as a complaint is being considered by the alternative route. Those consequential issues need to be addressed.

In fairness to the Secretary of State, he has tried to address some of the issues that I have just been talking about by tabling new clause 75, which gives MPs the right to appeal to a first-tier tribunal. That is a welcome step, but the first time the tribunal finds against the compliance officer, as it could under new schedule 7, there is a risk that the whole compliance system could be compromised.

5.45 pm

I want briefly to return to new clause 77, on investigations, and note that proposed new section 9A(2)(b) and (3) of the Parliamentary Standards Act 2009 give Members under investigation an opportunity to call and examine witnesses. That was not contained in the Kelly report and it is not current practice. It would be helpful if the Government could explain the rationale for what is a fairly radical change in the process and say why it is a good idea.

There are two concerns about new schedule 7. First, what is the source of paragraph 1(4)(a) and (b) of proposed new schedule 4 to the 2009 Act? In the event of an overpayment, they allow IPSA not only to charge interest but to ask Members to bear the costs

"incurred by the IPSA in relation to the overpayment, including the costs of the Compliance Officer".

That is an entirely new provision—there is no mention of it in Kelly—and what it allows for is not current practice. Any charge incurred could be extremely significant. I have known some cases, from when I was the Chairman of the Standards and Privileges Committee, that ran into many thousands of pounds. For example, the inquiry into the hon. Member for Bethnal Green and Bow (Mr. Galloway) involved considerable expense and a large amount of fees for translation. We also note that the adjudicator's services are entirely free of charge, whatever the verdict. What is the Government's reasoning for including paragraph 1(4)(a) and (b), which were not part of Kelly?

The whole procedure is just beginning to look rather bureaucratic. IPSA has to "prepare guidance" on the disciplinary regime, under paragraph 2(1) of proposed new schedule 4 to the 2009 Act, as well as having to consult the Speaker, the Leader of the House and other people, all within a short space of time. I contrast the relative speed of the current disciplinary process, whereby a case can be resolved within a matter of weeks, with the rather cumbersome, top-heavy and, I fear, slow-moving new regime that we are about to introduce.

Let me briefly mention new clause 87, standing in my name and that of my hon. Friend the Member for North-West Cambridgeshire (Mr. Vara), about which the Secretary of State spoke movingly. *[Interruption.]* He spoke movingly, but he was unable to accept it. New clause 87 would give IPSA a duty to offer advice to Members on claims and seeks to implement a recommendation in the Kelly report—recommendation 44, I think—that IPSA should be able to give advice to Members and "promote good practice". It would be a waste of time and resources if Members were left having to interpret the rules as they saw fit, only to have claims continually rejected. The current IPSA consultation document is silent on giving advice. However, I am grateful to the Secretary of State for saying that he would have another look at that before Report.

A considerable influx of new Members is expected in the next Parliament, and they will be required to get to grips very quickly indeed with a new system. For that reason, if for no other, IPSA needs to have the capacity and ability to give them guidance. There are already stories of some candidates pledging to avoid claiming expenses altogether, owing to the confusion of events over the past year. MPs should not feel discouraged from legitimately claiming for expenditure incurred in the course of their duties. That point is underlined in the IPSA consultation.

Kelly has suggested that advice to Members should be channelled through the compliance officer, but that would be illogical. The title "compliance officer" implies that he will audit, review and determine outcomes, not offer advice. If a compliance officer gave advice about a claim that was later investigated, he would have compromised his role in any inquiry. We do not want to return to the culture of secrecy and collusion that may have existed in the past, but there is a recommendation in the Kelly report about giving advice, and we feel that it should be acted on.

Let me turn to new clause 84 and new schedule 9, and return to pensions. Kelly is quite clear that salary and pensions should be taken out of the hands of Parliament, and we agree. However, although he is clear-cut on the need for a total separation between IPSA and Parliament on pay, there is much more ambiguity in how he envisages IPSA handling pensions. As he says:

"the independent regulator may decide, as a matter of practicality, to contract out the day to day running of the parliamentary pensions scheme to the existing professional administrators."

However, real concerns are being expressed by trustees of the fund about the Government's amendments as drafted. We discovered that the Government had not been able to carry out any consultation before the amendments were tabled, and I am glad that that will now urgently take place.

In moving to the new scheme, as outlined in new schedule 9, paragraph 3, will Members have the same

safeguards in relation to the benefits that they have accrued over time as would employees of a company that is part of a takeover bid? I think that the Secretary of State gave such a guarantee in his remarks, but it would be nice to see it enshrined in the legislation.

We raise a further issue in our probing amendment (a). The new schedule as it stands seems to imply that no MP or ex-MP will even be consulted in the strategic oversight of the pension scheme. My hon. Friend the Member for Worthing, West said that he knew of no parallel in the private sector where such provision exists. Although the measure does not say so explicitly, it does not specify who the trustees should be. It seems odd that, once the fund is transferred into IPSA's competence, the appointment of the trustees is to be left entirely up to IPSA, which will need to consult only the Prime Minister. One wonders what the Prime Minister's interest in this matter is, as opposed to everyone else's.

Andrew Miller: Does the right hon. Gentleman agree that the practice that applies to pension funds outside this place should equally apply to us, and that Members should have the right to appoint a proportion of the trustees, just as members of any large scheme elsewhere have?

Sir George Young: The hon. Gentleman makes a forceful point. I can see no reason why there should be a disparity between this scheme and the schemes that he has just mentioned.

There is also a degree of confusion—which the Secretary of State might be able to resolve—about exactly when pensions will move into IPSA's competence. In the written ministerial statement from the Leader of the House on 10 December, the Government said that they would bring forward legislation

"to give IPSA the power to set, as well as to administer, the MPs' pay system, after consulting the Senior Salaries Review Body. The powers for both pay and pensions would therefore take effect in 2011-12".—[*Official Report*, 10 December 2009; Vol. 502, c. 35WS.]

I understand the need for IPSA to consult the SSRB before making its first determination on pay, as set out in proposed new section 4A(7), but does it follow that pensions would therefore take effect in the same year? And where in the Government's amendments do they set out when IPSA should start determining the structure of MPs' pensions? As drafted, new schedule 9 seems to take effect immediately after Royal Assent is granted, rather than in 2011-12.

Before I finish, I wish to make one final point on the general scope of this debate. Today, we are focusing on building in improvements to the disciplinary regime by, among other things, strengthening the Members code of conduct. But, despite the behaviour of members of the Government being of just as much public interest as that of Members of this House, we are going to make no change whatever to the second code of conduct—that relating to Ministers.

The policing of Ministers lags far behind the policing of the House in terms of transparency, independence and reprisals. At present, the ministerial code is overseen by the Prime Minister, who can decide whether to refer a matter to his independent adviser and whether to publish any report. Neither procedure has ever been invoked, even though there have been several opportunities to do so. In the past, the adoption of tougher measures in the code of conduct for Members has led to pressure being applied to representatives in other institutions—for instance, Members of the European Parliament and peers. I hope that today's debate will allow us to return soon to the issue of the ministerial code of conduct, so that greater accountability can be introduced into the system.

Angus Robertson (Moray) (SNP): Will the right hon. Gentleman give the House some clarification on that point? The Government appear not to intend to make the kind of changes to the ministerial code that I would welcome. Will he make a commitment on behalf of the Conservative party that, if it were to form a Government in the near future, it would make such changes?

Sir George Young: Any new code of conduct would be the property of an incoming Prime Minister, who would devise his own code of conduct and guidance. I think I am right in saying that a previous Conservative Prime Minister was the first to publish the code of guidance for Ministers. If the hon. Gentleman wants a categorical assurance, however, he will have to wait until a later occasion.

We welcome the Government's decision finally to bring forward these amendments for debate, and I hope that the Secretary of State will respond to the substantive issues that I have raised. We all want to see a new system up and running by the time of the next Parliament, but, in achieving that objective, we should be able to ask legitimate questions about how the new regime will be run, how it will work and how much it will cost. These are the questions that will be in the minds of our constituents, and it is right that we should have answers to give them.

Mr. Heath: I shall start at the point with which the right hon. Member for North-West Hampshire (Sir George Young) ended. I shared his frustration and sense of disbelief when Ministers told us, following the publication of the Kelly report, that no statutory changes would be required as a consequence. The fact that we now have before us in the Government's name 15 new clauses, four new schedules and an amendment in order to implement Kelly shows that we were absolutely right to express such impatience. At last, we have the opportunity to put these measures on to the statute book. The Liberal Democrats have taken the view, as have others, that it was important to implement the Kelly recommendations in full and as promptly as possible. That is what this process is about.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Is not a consequence of the Government's dithering over the need to introduce statutory provisions the fact that the new clauses and schedules have arrived very late in the day for us to scrutinise, to ensure that they are as effective as possible?

Mr. Heath: My hon. Friend is absolutely right. They arrived very late in the day, as did this Committee sitting. Last week, we did not even know that it was going to happen, despite the fact that we had repeatedly pointed out that the number of Committee days available were insufficient for the House's needs. Now we have our debate, however, and let us not decry the fact that we have amendments—albeit late in the day—and a day in which to discuss them.

I intend to raise certain points, not to criticise the proposals but to ask for amplification on some of them, and to ask the Secretary of State to look more closely at the implications of others. My general position is that we will support amendments of this kind, although there are some detailed considerations that it will be proper for us to raise.

My first point relates to a matter that the Lord Chancellor touched on in his speech—the question of who will appoint the compliance officer.

Mr. Straw: Quis custodiet ipsos custodes?

Mr. Heath: Indeed. There is a problem with who the compliance officer will work for and the status of the officer. The Lord Chancellor has considered the matter and come to the conclusion that he would prefer the compliance officer to be a creature of IPSA. My feeling is that that could raise complications, particularly in the context of the legal appeal process that is now incorporated in the Government's proposals. I ask the Lord Chancellor to consider carefully what would happen if the compliance officer's position were challenged in court—as I suspect it will be—on the ground that they are a person adjudicating on the actions of IPSA while being complicit in those actions. The level of independence necessary to prevent such a challenge is insufficiently illustrated in the appointment procedure.

The status of the compliance officer is a little confusing at the moment. The only thing that we learn from the details of the new schedule is that the officer will not be an officer of the Crown. By definition they will not be an Officer of the House—nor should they be—so it is a little difficult to know exactly where they will lie in the great firmament. It is important that we at least attempt to get an answer to that question. I know that my hon. Friend the Member for Cambridge (David Howarth) has suggested informally that the Judicial Appointments Commission might be a vehicle, and the Lord Chancellor mentioned it in his speech. I think that my hon. Friend would be the first to agree that it is an imperfect answer, but it may be better than all the other imperfect answers that have been brought forward. However, we may need to consider the matter again.

6 pm

I turn to new clause 71, about which I have a simple question. It states that any of the new lay members who are to be added to the Speaker's Committee for the Independent Parliamentary Standards Authority under proposed new section 2A(6) of the Parliamentary Standards Act 2009 will cease to be a member of the Committee if they become a Member of either House of Parliament. Why was that role not included in the list of disqualifications under the House of Commons Disqualification Act 1975, which new schedule 6 states will apply to the compliance officer? Why adopt the way of disqualifying lay members set out in new clause 71, rather than simply list them under the 1975 Act? It would be simpler to have people listed in one place than to have to search around various laws for statutory disqualifications.

I do not wish to cast any doubt on Mr. Speaker's judgment—heaven forfend—but I wonder whether he should be required to gain a resolution of the House not only on the membership of the Committee, as was the case when the original members were appointed, but on the remuneration and allowances of the members. It does not seem entirely unreasonable that Mr. Speaker should consider the matter and put it before the House for resolution, rather than simply determine almost by holy writ how much the members should be paid. There have been occasions when the actions of previous Speakers and their advisers on the House of Commons Commission have not been as transparent as some Members have wished, and this is a matter on which transparency is devoutly to be wished for.

On new clause 72, the right hon. Member for North-West Hampshire raised an important point about the advice that IPSA is able to give, and I agree with him entirely that the compliance officer is not the right person to give it. How could the compliance officer possibly advise on the appropriateness or inappropriateness of a particular claim, and then if challenged determine the matter on the basis of his own advice? It is simply an untenable position.

The new general duty of IPSA that the new clause will introduce in proposed new section 3A(2) of the 2009 Act as a result of Kelly recommendation 41 is:

"In carrying out its functions the IPSA must have regard to the principle that members of the House of Commons should be supported in efficiently, cost-effectively and transparently carrying out their Parliamentary functions."

I wonder whether that could be expanded so that statutory provision was made for advice to be available to Members. The new clause goes part of the way, by stating that Members should be supported, but it does not explicitly state in what way they should be supported. In my view, advice should be part of that support.

While I am addressing new clause 72, may I ask the Lord Chancellor about proposed new subsections (8) and (9) of section 6 of the 2009 Act—the numbering is inevitably complicated when we are amending a previous enactment—which deal with how IPSA will make public information about claims? The new clause states that IPSA itself can decide what information it is appropriate to make available and how often and in what way that information should be published. That is fine—it is an independent body—but it will not be fine if we have backsliding from the position on the publication of Members' expenses that we have already reached through great adversity. It seems necessary that we impress on IPSA, even if only by exhortation rather than in statute, that the starting point should be the point that we have already reached. We should not revert to the secrecy that we had before.

I believe that the Lord Chancellor has dealt with the matter of retrospectivity in pay. However, it is not abundantly clear from new clause 73 that it is to be dealt with in the way that he suggested. It would be entirely inappropriate for retrospectivity to be applied to a previous Parliament, for instance, and I can see no obstacle to that in the current drafting of the new clause. I notice that proposed new section 4A(3) states:

"A determination by virtue of subsection (2) may make different provision for different offices or positions or different classes of member".

I do not recognise different classes of Member of the House.

Mr. Straw *rose*—

Mr. Heath: Perhaps the Lord Chancellor can enlighten me.

Mr. Straw: I will not invite you to declare an interest from the Chair in this matter, Mr. Gale, although I could. The provision is perfectly innocent. There is one class of Member—we are all elected as Members of Parliament. However, as the hon. Gentleman will recognise, some time ago the House decided that it should make additional payments to Chairmen of Select Committees and Public Bill Committees and other office holders. It also determined that there should be different levels of payment for different levels of responsibility. We have sought to replicate that in the new clause, to ensure that in setting pay, IPSA takes account of decisions of the House about such Members.

Mr. Heath: I was quite sure that that was the Lord Chancellor's intention, but I do not know why that is not considered to be covered by the term "different offices or positions" and why the new clause has to mention "different classes of member", which is an expression that inevitably rankles and one that I would not entirely encourage the use of.

Mr. Straw: No part of the new clause states that there is a first class of Member, which is Labour and Conservative Members, a second class of Scottish and Welsh nationalists and anybody else, and then a third class, well below the salt, of Liberal Democrats. Attractive though that may be, it is no part of our intention.

Mr. Heath: It is very important that IPSA hears that. Of course, different parties in the House are treated differently in how financing is provided, so it is not unreasonable to draw attention to the enormity suggested by "different classes of member".

Sir Robert Smith: The provision is drawn quite widely, so there is a concern that IPSA might choose to define different classes of Member or decide that Members from different constituencies are due different pay levels depending on the nature of the work that they do for their constituents. The new clause would enable IPSA to make that decision if it wanted to.

Mr. Heath: It would indeed. This may be a particularly live issue for Members representing Scottish constituencies, as it is not beyond the bounds of reason for someone to suggest that, because there are other elected Members doing casework in those constituencies, there might be a discrepancy. This is an unwise signal to send, so I ask the Lord Chancellor to look at it.

Another issue implicit in new clause 73 is the start date of salary. I would like to raise an issue of concern, on which the House should take a view in the very near future. Owing to the number of right hon. and hon. Members who have declared that they are standing down at the next election, we shall have an unprecedented turnover of Members and many new ones will enter the House. That will require a significant degree of induction in order to bring them up to speed. I have always felt that our system is too precipitate—immediately following a general election, the pantechnicon arrives at No. 10 Downing Street and everything changes; we start with a new Government and a new Parliament at the earliest opportunity.

A strong argument can be made for a period of reflection to allow preparations to be made, as is normal in almost every other legislature and almost every other governmental arrangement. A period of reflection is important as new roles and responsibilities are established and new posts are taken up. However, there is an implicit bar to that happening under proposed new section 4(6), which states:

"No payment of salary is to be made to a member before the member has made and subscribed the oath".

I am not arguing that Members should not subscribe the oath or undertake equivalent procedures in order to take their place in the House, or that Members should be paid if they are not prepared to be full Members of the House. I am simply saying that if the intention is for Parliament to assemble and for oaths to be sworn at the earliest opportunity in order to prevent any interruption to payment of the salaries of existing Members or new ones, it will work against the interests of good governance. I believe that the House should take a view on that at some stage.

Peter Bottomley: The hon. Gentleman puts a delicate point, but provision is made for pay to go back to the day or day after the election. If we sign on, say, two weeks after the election, that will be within the month and it is quite likely that we will get paid. If the election were held at the end of the month, there might be a slight temporary problem, but even the present banking system might be able to tide us over.

Mr. Heath: That may be true, but I hope the hon. Gentleman will accept that there is a problem here, particularly for new Members, who may not have received any salary of any kind during the period immediately before the election, because they left their jobs in order to fight it. They then may face the prospect of being without payment for a considerable period after the election. That puts pressure on the House authorities to convene the House at an earlier time than would otherwise be the case. I do not want to overplay this issue, but I feel that there is a case for proper and careful induction of new Members, so I do not want there to be an impediment simply because of how Members are paid.

Andrew Mackinlay (Thurrock) (Lab) *rose—*

Andrew Miller *rose—*

Mr. Heath: Two Members want to intervene.

Andrew Mackinlay: I have a great deal of sympathy for the hon. Gentleman's view that we sometimes rush things in having the Queen's Speech about a week or eight days from the general election. What should happen is that Parliament convenes for swearing in and appointing the Speaker, but then there should be an interregnum between that time and the Queen's Speech, allowing Ministers to master their briefs and new Members to have a proper induction.

6.15 pm

Mr. Heath: I, in turn, have a great deal of sympathy for that suggestion, as I believe it is probably the best way of dealing with the problem. I hope that we can have discussions between the various interested parties to see if we can reach a view on that.

Andrew Miller: I was elected to the 1992 Parliament, as was my hon. Friend the Member for Thurrock (Andrew Mackinlay), and I recall that the Easter recess occurred immediately after the election; there was a gap. Practical problems have been identified, and the hon. Gentleman raises a fair point that needs looking at, especially given what IPSA is saying about setting up loan procedures and so forth. In my own case, I recall having to take out a whopping great loan from the bank—a fairly unacceptable position to be in, but there we are. The payment of salary needs looking at, but I am not sure exactly how, unless we understand what IPSA intends to do with its loan proposals.

Mr. Heath: I am grateful to the hon. Gentleman, who is absolutely right. I am simply saying that we should not assume that every Member is of independent means or has a sufficiently good credit rating to be able to borrow money at will. Some are likely to find themselves in considerable difficulties, and we should recognise that and make our arrangements accordingly.

Allow me to help the Lord Chancellor in his interpretation of the numbering relating to new clause 73, as I have now worked out how the proposed new subsections (2) and (3) relate to subsection (1)—and he has obviously done so as well. The new clause leaves those proposed subsections (2) and (3) outside the amendments to the Parliamentary Standards Act 2009, and freestanding, which may or may not be a good idea, but makes sense in terms of the architecture of that new clause.

On new clause 75, let me express the opinion that I am not sure that the introduction of civil law is necessarily helpful, as it will add a further complication. We have the criminal law to deal with actions that are serious misdemeanours on the part of Members, and I hope that it will be used appropriately. This new procedure allows the imposition of penalties for non-assistance, as it were, and then the application of a proper penalty, but introducing the concept of civil remedy as well makes life more difficult rather than easier. I am not convinced that that is the best way of dealing with what I accept is a difficult problem.

The relevant part of the related new schedule 7 —paragraph 5(4)—states:

"In England and Wales and Northern Ireland the amount is recoverable, if a county court so orders on the application of the Compliance Officer, as if it were payable under an order of that court."

I do not understand what that means. What it says is that if a county court makes an order, it is payable as if it were a county court order. Well, yes—it would be, because that is what it is. There must be some purpose in the wording that eludes me here, so I would be grateful for some assistance.

Peter Bottomley: It just means that in England and Wales and Northern Ireland, but not in Scotland, the compliance officer has to go to the county court and make an application, and that if that court agrees, it becomes payable.

Mr. Heath: Yes, if a county court makes an order, it is payable, so it does not need a subsequent provision saying

"as if it were payable under an order of that court"

It is an order of the court, so there must be some further meaning that I do not understand; it seems to me to be tautological and I do not like tautology in statute. I hope that we might avoid that, if at all possible.

My final comments—I appreciate that this is a large group of amendments and that I have already spoken to them for some time—relate to pensions. I am pleased that the Lord Chancellor has said that he will look again at the provision. I do not think that it was drafted entirely in accordance with what Kelly recommended: in my opinion, it gives IPSA a much wider role than he intended. Its proposed role in the appointment and, particularly, the "disappointment" of trustees is unhelpful, and contradicts the normal practice applying to major pension schemes outside the House. In its excessive zeal to prevent MPs from determining their pension arrangements, the measure prevents them from taking a view as members of a pension scheme—rather than as Members of Parliament—on the administration of that scheme. I hope that when we next consider the issue, a revised proposal will have been tabled after proper discussion with the trustees of the pension scheme. It beggars belief that no one thought that that was a necessary prerequisite for the clause.

I think that, in broad terms, the many new clauses and new schedules would implement what was proposed by Kelly, which is the only test to which I wish to submit them. As I have said, I think we should look further at aspects of them to ensure that they have internal logic and have been properly drafted, but I intend to support them. I hope that we shall be given an opportunity to improve them at a later stage if there are questions that remain unanswered, preferably as a result of the tabling of appropriate amendments by the Lord Chancellor.

Andrew Miller: I welcome the spirit of the exchanges that have taken place. I am sure all Members will agree that it is vital for us to resolve these detailed matters before the new Parliament, difficult though that task will be. As was pointed out by the hon. Member for Somerton and Frome (Mr. Heath), some of them will be harder to resolve than others. The hon. Gentleman also stole one of my lines. In my evidence to the Kelly committee, I recommended that all its members should read Plato's "Republic". I thought that that was not bad, coming from a secondary school boy. It seemed to me that this challenge had been in existence for 3,000 years and would continue, and that it was therefore important for us to try our best to give the right powers to IPSA and the compliance officer.

I, too, struggled with the issue of the way in which the post should be filled, although I accepted one of the arguments of the academic lawyers in one respect. I believe that the compliance officer should, as far as possible, be at arm's length from the IPSA membership. I am still struggling to come up with fresh ideas about exactly what should be the nature of the beast, but I think we all understand what we are seeking to achieve.

I intervened on both my right hon. Friend the Lord Chancellor and the right hon. Member for North-West Hampshire (Sir George Young) on the issue of pensions. Before I became a Member of Parliament, I spent a good part of my time negotiating on pension funds with large companies. In the context of accrued rights, the right hon. Gentleman spoke of the situation that occurs when a company is taken over. He may recall that in the

[Andrew Miller]

dim and distant past I tabled a private Member's Bill, some of whose proposals were incorporated in the Pensions Act 1995. I think that he made a fair point, and I agree that issues relating to accrued rights should be dealt with separately. Rights involving benefits that people have earned here and have transferred to the scheme, and the application of those benefits to family members—the potential of death in service, for instance—must be protected, as they are in the rest of the pensions world.

I think that we have dealt adequately with the question of trustees. I am sure my right hon. Friend accepts that, except in very few exceptional circumstances, member trustees can be appointed and dismissed only by members of the scheme. The number of such trustees is, I think, a matter for discussion, and it may need to be clarified.

Last week an article was published in my local press suggesting that IPSA should be responsible for determining the sitting days of the House—on the basis of a crass misunderstanding on the part of the person who wrote to the media assuming that when we are not here we are on paid holiday. All Members throughout the House surely agree that sitting times must be determined by the House itself.

I have some sympathy with what the right hon. Member for North-West Hampshire said about informal advice. None of us has enough time—or, in most cases, enough background skills—to make some of the finer judgments that are needed for running our offices when it comes to issues such as employment law or procurement. For example, I found myself needing to renew a lease for a photocopier in my constituency office whose terms caused me to want to take advice. We currently have a mechanism for that, although people have suggested that it is not very satisfactory. I agree that that should not be a function of the compliance office, to the spirit of whose role it would be entirely contrary, but it should be possible for a Member to say to someone, for instance, "I have been confronted with the following situation. Would you advise me to enter into this contract?"

I believe that those issues can be fine-tuned in time for Report. I hope that all Members will pull together to try to ensure that we create a mechanism that does not just work in practice, but provides the degree of confidence that the public rightly demand of the systems that we put in place.

Mr. Mark Field: I agree with my right hon. Friend the Member for North-West Hampshire (Sir George Young) that it essential for us to put these matters on to a statutory footing, and I welcome the Government's determination for that to be done. As my right hon. Friend said, nothing would be more damaging to the reputation of parliamentary democracy in this country than for the allowances scandal to permeate the next Parliament as it has permeated this one. These issues require urgent and definitive resolution, and, as a number of other Members have said, we owe it to the many people who will serve for the first time in the next Parliament to put the House in order, however belatedly.

I want to speak briefly on two of the new clauses. I am mildly unhappy about the proposal in new clause 73 that IPSA will not take on fully fledged responsibility for the setting of MPs' salaries until potentially as late as 1 April 2012. I appreciate that the Secretary of State said that that was of IPSA's own doing, but we need to recall that this whole allowances scandal started because successive Executives over about the past 30 years refused or failed to implement Senior Salaries Review Body recommendations for salary increases. We heard a lot of grandstanding by party leaders over that period—and I acknowledge that leaders of Conservative, as well as Labour, Governments have been guilty of that. We therefore allowed a system to develop under which there was, effectively, a salary supplement through the allowances system, which grew like Topsy, especially after the resolution of the House in July 2001—without an SSRB recommendation—for a hefty 40 per cent. increase in the second-home allowance.

6.30 pm

I fear that failure to get this system on to a proper footing, and therefore reliance on the interim measure that has been in place since January 2008, will result in further grandstanding by party leaders over the next two years, which risks a further injustice being done. What happens if the formula that was set in place in January conflicts with, for instance, a pay pause in the public sector? If we choose the path of least resistance, how can we suggest that MPs are not once again setting their own salary—the problem that started much of this episode, which has been so corrosive to parliamentary democracy in the past nine months? I would prefer IPSA to be given the authority at once. I accept that it will need to be in touch with the SSRB, and this may well take as long as a year, so we might not be able to do anything until April 2011. However, giving a long-stop date that is, effectively, two years in the future will bring forth the potential for there to be lots of problems, which will mean that this issue will not go away in the next Parliament, as all of us would wish.

I also wish to say a few words about new clause 71, on the membership of the Speaker's Committee. I would have liked that Committee to have been abolished. We have a notional safeguard in place, as it is proposed that three lay persons should be appointed by resolution of the House of Commons, but we have to face facts. The Members Estimate Committee—body that preceded the Speaker's Committee—conducted itself, at the margins at least, in a disgraceful way. There was deliberate manipulation by party managers of all parties to ensure that, as far as possible, the public were kept in the dark. Why else did that body go to such unbelievable trouble to prevent publication of all the parliamentary expenses? We had a protracted High Court case that did great discredit to this House. I personally feel that the MEC—and now the Speaker's Committee—does not speak for me; I do not share the notion that it represents the interests of Members of Parliament. Rather, its behaviour has been one of the biggest problems. In view of what we are trying to achieve with IPSA, I would have liked all these matters to have been taken out of the hands of any such committee, and, indeed, out of the hands of the Speaker of the House of Commons.

These are relatively minor matters, and I appreciate that we now have to move forward with the recommendations before us. I therefore hope the Committee will be able to agree on most of the issues tonight. We have discussed the new clause in the name of my right hon. Friend the Member for North-West Hampshire

and my hon. Friend the Member for North-West Cambridgeshire (Mr. Vara). I hope that the Secretary of State will give some consideration to the concerns in this regard. We should have a pre-clearance system, in order to avoid the terrible, and nonsensical, situation whereby open and transparent claims are entirely reversed some years further down the line. If we are going to have the IPSA machinery and a compliance officer in place, it is not beyond the wit of man to ensure that we have such a system in place for the protection not only of Members of this House, but of the taxpayer.

Angus Robertson: I do not plan to delay the Committee for long, but I think it is worth going through the genesis of the changes we are discussing this evening. When the expenses abuse revelations were at their height, the then Speaker convened a meeting of the leaders of all the parties that take up seats at Westminster: the three UK party leaders, joined by colleagues from the Northern Irish, Welsh and Scottish parties, myself included. We agreed that radical action was required. We decided that, first, there should be immediate restrictions on expenses pending a review, and a Scottish National party proposal that the transparency standards operating in the Scottish Parliament should also apply to Westminster was agreed. I think that was the most important agreement at that meeting, because from now on it will be impossible to go back to the kind of secrecy that was highlighted by the hon. Member for Cities of London and Westminster (Mr. Field). We cannot go back to the days of secrecy; transparency is the key to the future. We also agreed that an independent inquiry should proceed, and that conclusions should be agreed in full. The party leaders thought that it was important that all our parties should work together, and I am seeking to reflect that in my comments.

Following this meeting, there were regular follow-up meetings, chaired by the Justice Secretary and the Leader of the House. I cannot remember how many meetings there have now been since that inaugural meeting, but the figure is about six or seven. Given the justified levels of public opprobrium about the expenses abuses, it was absolutely right for the political parties to work together to expedite these changes as speedily as possible. Everybody has in the back of their mind a concern that rushed legislation might be bad legislation, and it has to be said that a variety of hoops have had to be jumped through at a variety of stages to get us to where we are now, but, by working together, we are finally getting close to finding a fix for the problems facing us.

These meetings were the driving force behind the creation of the parliamentary standards authority. I am pleased that it was an SNP proposal that the agency should be designated as "independent". That argument was persuasive; clearly, even Westminster parties are open to persuasion on independence, at least sometimes. We therefore now have a body called the Independent Parliamentary Standards Authority—because independent it must, of course, be.

Initially, IPSA was empowered to deal only with expenses. Pay and pensions were not included in the initial legislation, for reasons we completely understand. That was to be put right at the earliest opportunity, however. We have heard from the right hon. Member for North-West Hampshire (Sir George Young) of the confusion about how quickly that might proceed, but we are here today and that is very much to be welcomed because, together with other improvements, including those relating to compliance, we are now moving ahead on the pay and pensions issues. That is key, because parliamentarians should not be responsible in any way for their own pay and pensions, or for setting their own expenses levels.

The Justice Secretary is well aware of my disappointment that the gold standard operating in the Scottish Parliament for compliance was not emulated in legislation dealing with MPs transgressing in this House. There is an irony in this. The Westminster Chamber legislated for the creation of the Scottish Parliament and set the rules under which it would operate, including criminal sanctions when Members of the Scottish Parliament transgressed the rules. However, Members of this House—Members of the Conservative and Labour parties—did not agree that that same high, gold standard of criminal sanction should apply to Members of Parliament in this Chamber in the future. That is totally beyond me. The SNP believed, and continues to believe, that criminal sanctions that can apply to MSPs should also apply to Members of this House. Notwithstanding that shortcoming, I believe that creating an IPSA with real teeth is vital, and that is what is being completed by these provisions. MPs have forfeited any credible right, as have the UK Government, to determine pay, expenses and pensions—that was forfeited some time ago.

The right hon. Member for North-West Hampshire and the hon. Member for Somerton and Frome (Mr. Heath) raised some important and commendable points about compliance officers and some other queries, but I have no reason to doubt that the Justice Secretary will continue his collegiate approach before Report so that things can be smoothed and ironed out. For that reason, I shall be supporting the progress of these provisions today.

Peter Bottomley: I often agree with the hon. Member for Moray (Angus Robertson), but I do not agree with him on a number of points today. For example, why should MPs not be responsible on these matters? For most of my time in Parliament, it has been perfectly reasonable for Members of Parliament to say what their pay arrangements should be. The fact that they have not always adopted what I thought was sensible is probably more my fault than that of my colleagues. It is clear to me that MPs' pay arrangements should be set before a new Parliament, should come into effect at the beginning of it and should not change during the Parliament, irrespective of whether it lasts for six months or for five years. That would be a far more elegant and sensible arrangement than the current one of wondering whether there should be increases each year or other kinds of conventional things. Even if the arrangement is not conventional, if we know what the terms are when we get elected, that should do us until we again come up for election or deselection.

The second thing that the hon. Gentleman said that I would not mind taking him up on was his comment about the gold standard of criminal sanctions. Criminal sanctions ought to be for criminal offences, and the standards that we ought to be meeting are lower than that; we ought to be meeting the reasonable expectations of Members of Parliament, not just expectations relating to "beyond all reasonable doubt". I hope that Martin Bell, with whom I served on the Standards and Privileges Committee, will not mind my saying that that is one of

[Peter Bottomley]

the areas where he and I failed on a number of occasions. If I were to allocate some of the "blame"—that is probably the right word—I would say that the House authorities or past occupants of the Speaker's Chair did not do what they might have done when Elizabeth Filkin was the Parliamentary Commissioner for Standards. I doubt whether compliance officers, whatever their responsibilities, can carry the same weight as a good Parliamentary Commissioner for Standards. Therefore, I put it to the Secretary of State that if he were able during the passage of this Bill to find a better expression than "compliance officer" to balance the "Parliamentary Commissioner for Standards", that would be a good thing. We know what is understood by "compliance officer" and what the responsibilities will be, but it is not an elegant title.

Plainly we cannot go on having final salary pensions where—this will not apply to me as I have reached 65—any increases in the salary of someone who has been in this House for 25 years and is between 60 and 65 are still multiplied by their years of service. Any sudden increase of 30 per cent. in the pay of such a person in recognition of various parts of an MP's job would multiply through all their previous years of service, even though their actual pay would have been much lower. Members of Parliament ought to have a way of expressing in public, whether just to IPSA or in this Chamber too, that we think that we ought to move on to an average salary system at best. By all means, let us keep what we have got in the past—I declare that I have the full limit—but we ought to be able to say clearly that we need a reasonable compromise between not putting people off coming into Parliament and not maintaining this kind of gilt-edged, gold-plated standard pension. It may have been good at a time when our pay was very low but if IPSA is to do its job, the pay will not remain very low for very long. I do not see where in the IPSA proposals we can reach the stage where it is possible for IPSA to recommend that part of any significant change in MPs' pay should be non-taxable and non-pensionable.

Mr. Straw: Non-taxable?

Peter Bottomley: Non-taxable and non-pensionable. The idea of bringing in a receipt for every small bit of spending is one of the mistakes into which the House and those who have been invigilating its affairs have fallen. I examined my spending for two weeks, keeping the receipts for two weeks. If I buy 80 items in Lidl in Worthing for £120, two of which are relevant to my office expenses, I am supposed to put in the list of all 80 things—the details of everything other than those two things either will or will not be redacted—so that I can get back some money that I have spent on batteries, CDs and so on. Such an arrangement is bizarre. I shall not go into the detail of all the other allowances, but one element that I hope IPSA will consider is having part of the pay being non-taxable and non-pensionable.

The Secretary of State has been very kind to the Committee, although I do not think that he understands all this all the time—I am sure that he understands much of it much of the time. I hope that the Leader of the House does not mind my saying that this is an incredibly complicated result of a suggestion that we did not need primary legislation. We may not have needed it, but this is quite a lot to have to digest quite late in an afternoon when many of the other experts are not present.

6.45 pm

I want to reach the stage where Members of Parliament can do their job without needing the skills of a good accountant. We ought to have reasonable accounts. We certainly ought to reach the stage—I think we had this with the parliamentary commissioner system—where if a Member of Parliament gets clearance for an arrangement from the Fees Office, irrespective of whether it is judged afterwards to be wrong, the MP is not penalised for it. There is an argument as to what constitutes approval and what is accepted, but we need to have some way of ensuring that MPs cannot be chased back too far, too often on too many things. MPs ought to be able to take advice from the authorities, rely on that advice, make their arrangements as simple as possible and maintain them. That would address most of the fears that people have had and most of the excitement involving the media.

Mr. Charles Walker (Broxbourne) (Con): Is my hon. Friend aware that a number of colleagues on both sides of the House have ceased to claim legitimate allowances because they are so frightened of the reputational risk of getting something wrong?

Peter Bottomley: I am. That is a reminder that this House should not just be for those who are well-off and those who are poor, both of whom can come to this place and not have too much of a worry. It also should not just be for those who are flashers and those who are church mice; we should also include those who are normally embarrassed if they are seen without their clothes on. We need to try to ensure a reasonable spectrum.

Many MPs who stay here for some time move through inexperience and poverty, and end up reasonably comfortable—they may have grown out of their family responsibilities and their housing costs will probably have reduced. All I can do is tell hon. Members what it was like for my first 22 years here. I had two dependent children when I got elected and I had a third child when I had been in Parliament for seven years. When my wife was working less than part-time, I very nearly had to leave Parliament because I did not want to go either crooked or broke. I hope that IPSA will take that kind of thing into account.

May I end by discussing something that is not contained in these provisions? In my early years, I shared a large room in Old Palace Yard. One of my colleagues married his secretary—she was a competent secretary and she was a good wife afterwards. Why should such a person have to lose her job in those circumstances? What if I had married her, so that she could go on working for him? I was not free to do so—*[Laughter.]* The wife of a Member of Parliament can be elected to this place and get their own pay through the taxpayer, so what is so different about the person who gives support as a spouse? I offer Pauline Ashley as probably one of the best examples. She gave devoted service to Jack Ashley's constituents and a great deal of help to Jack. I can think of many other such examples—I shall not name any involving those in the Chamber—where the same thing has applied. This was a bad suggestion and I hope that

IPSA will throw it out. Obviously, one needs to justify the work that the family member is doing, but a blanket exclusion is wrong.

Nick Harvey (North Devon) (LD): Thank you for calling me, Mr. Gale. I apologise for not having been here at the start of the debate because of a meeting of the House of Commons Commission. I wish to contribute a few remarks in my capacity as a trustee of the parliamentary contributory pension fund. I know that the Secretary of State indicated during earlier exchanges that he acknowledges the need for further thought to be given to the specific measures proposed, but I am anxious to ensure that the trustees' concerns are articulated in this debate.

We all accept that the world has changed, that the coming into being of IPSA means that there is a need for some change in our pension arrangements and that it will be necessary to make some legislative changes to give effect to such change. However, I am concerned at the speed with which these arrangements have appeared, at the lack of any consultation and—far more so—at the way in which they sit very uncomfortably, to my way of thinking, with the fact that during the latter part of last year the Government commissioned from the Senior Salaries Review Body a fundamental review of MPs' pension arrangements. To the best of my knowledge that body completed its work by the end of last year, as it was asked to do. I do not know whether it has yet submitted its report to the Government—the trustees have certainly not yet seen it. I would have thought it made a great deal more sense for that report to have been delivered and for its recommendations to have been assimilated and taken on board before we made the sort of changes that are anticipated and provided for in these new schedules and other add-ons to the Bill.

In particular, the trustees have a concern that serving Members of this House should have confidence that the pension benefits that they have already built up in the fund to date cannot be taken away without their consent. As drafted, the Bill does not provide that protection, because it is giving to IPSA huge additional powers that, in the past, this House and its Members, as members of the pension fund, have held. Although under the current fund structure the power is exercised by the Leader of the House, that takes place only through regulations. The Leader of the House has to bring to the Floor of the House, for consideration by the members of the scheme, any changes that are wished. In future, according to these arrangements, IPSA could, in the extreme, simply make a scheme that removed the entitlement to all or any of the benefits earned in the fund by any or indeed every member. Although we would all hope, obviously, that IPSA would never take such a course of action, one has to ask whether it makes sense to give it the power to do so.

The Kelly report made two recommendations on MPs' pensions. The first was on the independent determination of MPs' pensions and the second was on oversight of the administration of parliamentary pensions. The Bill goes well beyond that and gives IPSA substantially greater powers over the structure of the fund—the power to determine how it is administered goes well beyond the oversight and scrutiny recommended by Kelly and gives the authority control over the management of the fund, the application of its assets and the constitution and proceedings of the funds' trustees, as well as the power to determine, with Treasury consent, the rate of the Exchequer contribution, without consulting the Government Actuary.

Although, in a sense, those powers replicate the existing arrangements by vesting with IPSA the powers that are currently vested in the Leader of the House, the difference, of course, is that the Leader of the House has to bring these matters to the House for its consent. We need proper and detailed consideration of whether it is right for IPSA to have these extensive new powers that go far beyond what was recommended in the Kelly report. I think it would be better to leave vested with the trustees some of the powers that they already have. I do not think we should undermine the objective of MPs' pensions being influenced by an independent body, but the arrangements as proposed today go too far.

For example, IPSA has the power to appoint a trustee body without any member representation on it. I do not think anybody would take exception to the idea that IPSA should nominate a member of the board of trustees, but to give it the power, in effect, to remove the trustees and to appoint its own board of trustees seems to me to be going much too far. Is there any other pension fund anywhere that could be subjected to such a degree of interference? It would be unlikely, in practice, that IPSA would ever do so, but the measure goes too far in terms of the sweeping powers that it gives the authority.

The legal structure of the fund is highly complex and the detail is largely set out in 1993 regulations, which are regularly amended. I think that the wholesale transfer of powers to IPSA, as proposed by the Bill, will in effect empower IPSA to rewrite the rules of the fund and could jeopardise the ability of the trustees properly to manage it. I welcome the fact that the Secretary of State has said that there will be further consultation with the trustees, but as the Bill is drafted all Members should be deeply concerned at what is being proposed. We frequently say that we want our arrangements to be comparable to those elsewhere and those in the real world, but my concern is that these proposals go to lengths that no other pension fund anywhere would expect.

Mr. Mark Field: Although I have a lot of sympathy with what the hon. Gentleman has to say, does he not understand that it is not a matter of whether the pension fund is working well and whether the trustee arrangements provide an arm's length between Parliament and the taxpayer? The issue is the perception that we are enriching ourselves. As my hon. Friend the Member for Worthing, West (Peter Bottomley) rightly said, a lot of MPs' spouses do a fantastically good job and provide tremendously good value to the taxpayer, but none the less there is a perception of our own enrichment. The changes therefore apply not only to employing spouses and issues to do with our salary but to our pensions. We have a different and rather more generous pension scheme than many others, even in the public sector. The public perception means that IPSA needs to have its tentacles across this matter, and that is no reflection on the ability or otherwise of the trustees who have done their work in this regard over the past few years.

Nick Harvey: I sympathise with what the hon. Gentleman is saying, but I said categorically at the outset that I accept that the world has changed and that the

[Nick Harvey]

Kelly report made two recommendations on pension arrangements. Specifically, IPSA will have a say in what we get out of the scheme and what we pay into it. I am not trying to resist that at all. The hon. Gentleman just used the expression "IPSA needs to have its tentacles across this matter". I am not resisting that—I am merely resisting the idea that IPSA should delve its tentacles into these matters in an attempt to run the whole thing. It is possible to hit the right balance but, as the Bill is drafted, the Government have failed to do that. I would welcome it if they would get into a meaningful dialogue with the trustees so that on Report we can arrive at some arrangements that will take account of the points that the hon. Gentleman is making while leaving a viable pension arrangement with a scheme that will have the same sort of autonomy and power to organise its own affairs that any other pension fund would take for granted.

Mr. Walker: I shall be very brief. I want to start by apologising to my wife Fiona, my son Alistair, my other son James and my daughter Charlotte. I wish, on reflection, that I had made a great deal more money before I got into this place. If I had private wealth, I would not need to rely on the taxpayer to fund my excellent staff, my travel and the cost of my office. If I did not have to rely on the taxpayer to do those things, I would not fear the knock at the door from the media, the investigators or the new compliance officers. I and my family fear that knock at the door. We fear the reputational risks that now go hand in hand with being a Member of Parliament.

Let me conclude my opening remarks by saying that over the past nine months I have seen many good and decent colleagues have their careers needlessly destroyed to sell a few newspapers. The loss of those colleagues to public life will be sorely felt by their constituents and this country.

IPSA is going to take over the management and control of our pensions. I recognise that I will get an extremely good pension from having been a Member of Parliament—it is one of the best pensions in the public sector—but there should be a recognition that my colleagues and I make one of the largest contributions to their pension of any public sector worker. I think that the only comparable public sector group that makes such a significant contribution is firemen and fire officers. Yes, our pension is generous, but it is not as generous, when set against other pensions, as the press would have our electorate believe.

7 pm

Finally, it is important that compliance is proportionate and that we have safe harbour—that we can seek advice from qualified, expert people on how to comply. If the compliance system is to be successful, there must be a focus on ensuring that we, as Members of Parliament, get things right first time and that we understand the rules. As my hon. Friend the Member for Cities of London and Westminster (Mr. Field) has said, so much of the advice that we have received from the Fees Office was given in good faith but has proved to be totally wrong. We cannot afford to allow that to happen again.

Mr. Straw: I thank all right hon. and hon. Members who have contributed to this important debate. I hope that its conclusion on Report will be provisions in the Parliamentary Standards Act as amended that will ensure that the new system of parliamentary pay, allowances and pensions command the respect of the public—that is fundamental—and enable Members of Parliament to do their duty without harassment or undue penalty to them or their families. Let me pick up the remarks of the hon. Member for Broxbourne (Mr. Walker). He made a generous and heartfelt apology, probably not for the first time, to his wife and children for his eccentricity in choosing to put himself in the public firing line, and I think that his position will be echoed in the experiences of Members on both sides of the House.

It is worth recalling that there was a great fight to have Members of Parliament paid at all; I think it was the Liberal Government of Asquith who first provided for their payment. The right hon. Member for North-West Hampshire (Sir George Young) and I have been in the House for more than three decades, and certainly when I came to the House 31 years ago, the pay was lousy.

I was at the Bar at first, which was fine, and then I became a special adviser, which was also fine, but then I had to be found outdoor relief when I was peremptorily dismissed as a special adviser because I had become a parliamentary candidate, and I did not have a particularly good job in those two years. I thought about going back to the Bar but, as colleagues who have been in that noble profession will know, although I might have earned quite a lot of money, I would have received virtually nothing from ever difficult solicitors. Granada Television offered me a job as a researcher, and even that was better paid than the pay I "enjoyed" when I became a Member of Parliament.

I was fortunate, because I was able to earn a bit of extra money through journalism—quite a lot in due course—and I had a wife who had embarked on a sensible and stable career, but notwithstanding the beginning of Short money when I went into the shadow Cabinet in 1987, my office costs had to be subsidised out of my family's income every year until I became a Minister. Every year, the Fees Office would approach me with an estimate of what I had to pay it, not because I had over-claimed and had to repay, but so that my staff in Blackburn and in the House could be paid and so that other costs could be met. Yes, the House went too far in correcting that situation, but we are all anxious—I am sure that Sir Ian Kennedy and his colleagues at IPSA are taking this on board—that the situation should not revert to that which obtained before, when a lot of people were actively prevented or put off from coming to the House.

I worry that future generations of very good people will be put off, partly by public scrutiny. We all have to accept such scrutiny because the House signed up with great alacrity to the Freedom of Information Act 2000; indeed, it was the House itself that demanded that Parliament should be included in that Act. Ever compliant with the wishes of the House, I, as the sponsoring Minister, said yes to that. I worry that future generations will also be put off by the overall remuneration, which is a worry for us all. It is the people of the country, rather than the people in the House, who will suffer if we cannot attract into politics people of quality and assiduity, whatever their social background, monetary wealth or lack thereof.

Mr. David Winnick (Walsall, North) (Lab): When I first came to the House, there was no secretarial allowance at all, and the pension for MPs had been introduced only the year before. However, will my right hon. Friend reflect on the comments of several Members in this debate, at least since I came into the Chamber, who seem to blame the Fees Office for much of what has occurred and what has been exposed in recent months? I believe that, on the whole, the Fees Office did a useful job and gave good advice, and we should be careful not to transfer the blame from ourselves on to officials who have given very good service over the years.

Mr. Straw: I have had the benefit of being in the Chamber for the whole debate and I do not think that there has been any personal criticism of members of the Fees Office. Everybody understands that a system that was not fit for purpose developed and that officials in the Fees Office did their best. Some completely impersonal general points about the experiences of Members have followed from that, one of which was that if a Member has made a complete disclosure to the Fees Office about an item of expenditure that they believed to be consistent with the rules, and if the Fees Office, after proper examination, then said that it was consistent with the rules and paid the Member, it is a little hard, to say the least, if subsequently there is a retrospective judgment that the Member should pay back that money. That would be even harsher in future, when the rules will be much clearer.

Let me go through the points that have been made in the debate. I thought that the right hon. Member for North-West Hampshire was cavilling at the beginning, when he was tweaking my tail about Kelly and legislation. I could have been cavilling in advance, by tweaking his tail about the fact that we would not have needed some of the legislative changes if the House had stuck to the original proposals that I put forward rather than those that he persuaded it to accept. I hope that we can conduct the rest of the debate in the spirit in which it proceeded after he had read out that cavilling stuff, which was no doubt put in there by Andy Coulson just to prove that the right hon. Gentleman is as partisan as the next person. I have to say that that act is not very convincing.

Peter Bottomley: Is that the kind of advocacy for which the right hon. Gentleman would not have been paid very much if he had practised it before coming to Parliament?

Mr. Straw: I would not have been paid at all for that, but I thought that I should offer the right hon. Member for North-West Hampshire a gentle rebuke for departing from his usual ecumenical approach.

I shall now come to a variety of issues raised by the right hon. Gentleman and other right hon. and hon. Members. He talked about the possibility of double jeopardy under new clause 70 and new schedule 6. Double jeopardy applies where someone has been through a criminal trial and is tried again for the same offence. There is double jeopardy: if someone commits a criminal offence, there can be consequences in respect of their employment. If someone in a position of trust with their employer commits fraud, even if it is not against their employer, and it is drawn to their employer's attention, they are unlikely to continue to be employed. There cannot be a rule to say that someone who has committed fraud against the building society that is nothing to do with his employer—let us say that it is a building firm, not a building society—cannot be drawn to the attention of the employer and has an absolute right to continue in that employment, notwithstanding the fact that it is plain that he was a fraudster from beginning to end. We all understand that, and the truth is that if someone egregiously breaks IPSA's rules, leaving aside whether he or she is prosecuted, other consequences are bound to flow from that, aside from any general reputational damage.

On the firewall between IPSA and the compliance officer, as the right hon. Member for North-West Hampshire knows, there was a lot of discussion about the architecture. The direct responsibility for administering the scheme of allowances and paying them—and, I accept, giving day-to-day guidance and advice—rests not with the authority qua the authority, but with the chief executive officer and his or her employees. The only job that IPSA has to do in respect of the compliance officer is to make the appointment. We have discussed whether there can be any alternative ways, possibly to dismiss the compliance officer, but on very limited grounds.

Once appointed, as schedule 6 makes clear, the compliance officer is appointed for a fixed term of five years and then they go. So having been appointed, no purpose would be served by their toadying to IPSA in the hope of getting a further term, because no further term is permissible. That is sensible, and it is certainly something that Sir Christopher Kelly wanted.

The right hon. Gentleman implied that the system could fall down if the compliance officer was asked to pass judgment on the people who appointed him. In a sense, it is not the first time that people in a judgmental, quasi-judicial position may be asked to do that. He or she will be appointed by IPSA. He or she is a separate, independent officer. Yes, it is very unlikely that he or she will pass judgment on the authority itself. He or she may well pass judgment on the chief executive officer and his or her staff. That is his or her job. I do not think for a second that the system will break down.

Let us bear in mind the fact that the tribunal is run by entirely independent judges who are appointed formally by the Queen or me, but on the recommendation of the Judicial Appointments Commission. It is entirely independent, and we can go all the way up the judicial tree. So the right hon. Gentleman was right to raise the concern, but I do not accept it; I do not think that things will work out that way.

On pensions, about which there has been a lot of discussion, I accept and have said that there should be the same protection on accrued rights as for anyone else. I quite understand where the hon. Member for North Devon (Nick Harvey) was when I was opening the debate. I referred to provisions in the Pensions Act 1995, which provides protection for accrued rights, whereby they can be changed only with the active consent of beneficiaries or potential beneficiaries. Our officials are looking closely at whether we can introduce such provisions on Report, and I will write to the relevant spokespeople, as I normally do, when I have draft clauses or proposals.

7.15 pm

On trustees, I have already said that we will seek to replicate the provisions of the Pensions Act 2004, so that a third of the trustees will be appointed by the

beneficiaries or potential beneficiaries. We should consider the other aspects of the general law that applies to pension trusts and trustees. To repeat the point that was implicit in many of the remarks, we want to be in neither a better nor a worse position than other people in the public sector—and in the private sector, for that matter. I looked at my payslip yesterday, and the hon. Member for Broxbourne is entirely right to remind the House and public that, although we get good benefits, the deductions are huge. I understand that civil service deductions are about 3.5 per cent., but my deduction, which I could not quite understand and on which I might seek further evidence, amounted to well over 10 per cent.

Mr. Walker: The Secretary of State is now paying 12 per cent., but in addition, for the next three months, he will be making backdated payments equivalent to £200 a month, because we changed our pension scheme on 1 April last year and the changes are coming into force in the last three months of this tax year.

Mr. Straw: Ah, that saves me a letter, and I am very grateful to the hon. Gentleman for that information.

I think that I satisfied the hon. Member for Somerton and Frome (Mr. Heath) on the point about different classes. Although I had not thought about those different classes—class 1 parties, the main ones; class 2, the territorial ones; and class 3, the Liberal Democrats—I am warming to the idea, and if the general view in the House is that I should move a manuscript amendment on that, I would b happy to comply.

Sir George Young: Can the Secretary of State tell the House when IPSA will assume responsibilities for running our pension scheme?

Mr. Straw: That will be done by order.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): He has not got a clue.

Mr. Straw: No, I have got a clue. I have got lots of clues, the first of which is that it will happen during the next Parliament, but I promise the right hon. Member for North-West Hampshire that my right hon. Friend the Minister of State will deal with that when he handles the next set of amendments. *[Interruption.]* Oh, here is the answer: 2011-12. Even Homer nodded.

The hon. Member for Cities of London and Westminster (Mr. Field) spoke about MPs' pay and asked why new clause 73 explicitly provides that the first determination would not come into force until 1 April 2012. I want to make it clear that, until then, the decision of the House of July 2008 will apply. There is an automatic regulator of our salaries: the House has said by resolution that any recommendation of the Senior Salaries Review Body will be implemented. An agreement has already been reached for 2010, so the 2011 pay increase will arise from the SSRB and it will come from IPSA thereafter. It is proposed that there will be a first determination, which will be the equivalent of the quinquennial review that the SSRB carries out, for example, in respect of judicial salaries, and the frequency of further determinations will be a matter for IPSA thereafter.

The hon. Member for Worthing, West (Peter Bottomley) proposed that a flat salary, fixed at the beginning of a Parliament, should apply irrespective of whatever happened thereafter. That has certain attractions and would certainly mean that every Member of Parliament carefully checked the inflation rate. Over a normal Parliament, if the Bank of England's target had been stuck to, one's salary would have been eroded by a compound 10 per cent. He and the right hon. Member for North-West Hampshire were sitting in the House—I was a hired hand—in the 1975 period, when inflation rose to 27 per cent., through no fault of the Labour Government. It then rose again to 22 per cent. in 1981, through every fault of the Conservative Government, including the doubling of VAT. Leaving aside the cause, the fact is that inflation was very high under both parties; that was difficult; and a fixed, flat salary would have caused all sorts of problems.

Peter Bottomley: I will not return to that point now. Will the Secretary of State kindly say what will be the arrangements for the staff of Members of Parliament, whether there will be guidance, and whether we will know the change in scales by April, when many of our staff will be expecting an annual review?

Mr. Straw: The arrangements for members of staff will be a matter for the Parliamentary Standards Authority. I cannot anticipate what it will say. Meanwhile, one of the good things that has happened in recent years is that scales are now laid down. Members of staff must have contracts of employment and so on. That is a dramatic change from the ramshackle arrangements that existed years ago, when MPs themselves had to run the PAYE schemes, as those of us of a certain antiquity will remember.

I am very grateful to the hon. Member for Moray (Angus Robertson) for the constructive approach that he has yet again taken, and for the consistent support that we have received from him.

The hon. Member for Worthing, West queried the term "compliance officer". It is not an elegant term, but I beg the Committee not to change it again. We could have used "independent regulator," but the Kelly report calls IPSA the independent regulator. We could have used "commissioner," which I would have preferred, but we have a Commissioner here. The term "compliance officer" may be prosaic, but at least it tells everyone what the person will do.

The hon. Gentleman made some strong points about whether we should move from a final salary scheme to an average salary scheme. I understand that. It will be for the PSA and the SSRB to recommend. I understand the point that the hon. Gentleman went on to make. that part of the pay should be non-pensionable and non-taxable. Personally, I do not agree with either proposition. If small businesses, which is essentially what we are for these purposes, want to offset an item such as batteries against their tax, they have to keep receipts. *[Interruption.]* If the hon. Member for Broxbourne is saying, "No, they don't," I would be pleased to hear from him.

Mr. Walker: Small businesses are allowed to claim for the cost of accountancy, and according to Sir Christopher Kelly and IPSA, Members of Parliament will not be allowed to claim for the cost of accountancy.

Mr. Straw: That is a fair point. Another point, which I thought the hon. Gentleman was going to make, but which I now make for him, is that small businesses claim under schedule D, which is rather wider because it refers to expenses "wholly and exclusively incurred" in connection with the business, rather than "wholly, exclusively and necessarily incurred", which is the provision under schedule E, the rubric for us.

The hon. Member for Worthing, West spoke eloquently about Members who had employed members of their family. I have never employed a member of my family, but not because I regarded myself as a superior being. I see no prospect of employing a member of my family, so that may allow me to say that I think that some of the adverse publicity that members of families have received in the course of the expenses row has been very unfair indeed. Everybody knows that because of serious abuse by one Member in particular, there need to be proper controls, but if members of the public want Members of Parliament to do two jobs, which they do—representing them in the House and also being available with great frequency in their constituency and at weekends—they must accept that that produces greater disruption even than working away from home. That is true.

One of the biggest changes that has occurred in the past 30 years, or even in the past 15, is the huge increase in the constituency case loads of all Members of Parliament, and the dramatic increase in the expectations of members of the public regarding the availability of their Member of Parliament. My predecessor could go to my constituency one Friday a month for about six hours. She never had a house in the place and never wanted one. She saw eight people by appointment, did a couple of other things and was correctly regarded as a good constituency Member, because she went to Blackburn much more frequently than many Members of Parliament went to their constituencies. Those days are gone, and the allowance system and the pay need to recognise that.

I hope I have satisfied the hon. Member for North Devon, who speaks for the Members Estimate Committee, on the issue of pensions. We will also consider whether there should be a requirement to consult the Government Actuary's Department where there is a shift in the rate of Exchequer contribution. Officials worked extremely hard and under time pressure on the provisions. They sought to replicate the existing statutory provisions under the parliamentary scheme, but I accept that those may not be entirely replicable.

With that—

Sir George Young: I sense a peroration. The Secretary of State will recognise that a number of questions have been asked that he has not had time to answer, such as questions on the costs of the arrangements before us and about a number of areas where the amendments go way beyond what Kelly proposed. If he does not have the answers now, I quite understand. Perhaps he would be good enough to drop me a line with the answers to the questions that I put to him.

Mr. Straw: I am grateful for the intervention. There will not be much of a peroration. It is the Member for Blackburn speaking, not a latter-day Enoch Powell.

I shall answer some of the more specific questions. The hon. Member for Somerton and Frome asked about what he thought was a tautology in new schedule 7, paragraph 5(4), which states:

"... if a county court so orders ... as if it were payable under an order of that court."

That is standard form wording used in social security legislation. I reread it and I think it works.

The money resolution relates specifically to the pension provisions, which will obviously transfer a liability for pensions, but there is no net increase over and above what would otherwise have been paid. We expect the other provisions to be broadly neutral, as compared with where we were before, as IPSA will be losing functions as well as gaining ones. Overall pay and pensions will not add hugely to running costs because IPSA is already paying. A small policy function will be required, and it will use the SSRB to do the analysis.

I have dealt with the issue of delay in pay and pensions, the issue of the compliance officer being wholly separate, and double jeopardy. I was asked whether a new compliance officer could be in post before Royal Assent and before April. Subject to the approval of the Committee today, which is the equivalent of a Second Reading of the new clauses, we are exploring with IPSA whether it would have the legal basis to go ahead and advertise for a compliance officer. It is entirely a matter for IPSA, but I hope it feels able to do so. Whether that means that the compliance officer will be in post by 1 April is a moot point, but I think we can expect the compliance officer to be in post by the time there is anything to comply with and any complaint to be made. I think IPSA will be able to meet that requirement.

The right hon. Member for North-West Hampshire asked about new schedule 7 on page 668 of the amendment paper. Paragraph 1, which gives the power to make a repayment direction, states at sub-paragraph (4)(b) that a Member could be required to

"pay to the IPSA an amount reasonably representing the costs incurred by the IPSA in relation to the overpayment".

The suggestion was that that went far further than Kelly had recommended. If the right hon. Gentleman looks at recommendation 45 on page 19 of the Kelly report, he will see that it says:

"The independent regulator's enforcement regime should be strengthened by giving it the power to... Require the repayment of wrongly paid or misclaimed sums, with associated costs if appropriate."

7.30 pm

I shall certainly look again at whether the Bill goes too far. When the right hon. Gentleman first raised the matter, I thought that it did, but on further examination it does not. The issue is about reasonableness, which is better than appropriateness, and the Bill would be more tightly worded if it read,

"reasonably representing the costs incurred by the IPSA".

A requirement under that proposed new sub-paragraph could alone be the subject of an appeal to the first-tier tribunal.

Finally, Members asked why it was necessary to provide for the examination and calling of witnesses before the compliance officer. Those provisions are about my anxiety to meet the wishes of the House, and they were recommendations from the Joint Committee on Human Rights in respect of previous legislation. If one is charged with a serious breach of regulations, one ought to have the opportunity, if necessary, to call one's own witnesses and to examine others. I think that that is

a basic human right, with a capital H and a capital R. The situation might not come to that, and one hopes that it will not, but that right is pretty fundamental. In any case, one would have the right before the first tribunal, which would amount to a re-hearing of the case from the start.

I think that I have dealt with all the points that were raised. If the House will forgive me, it will, I hope, take those detailed explanations as a substitute for a lengthy, prolix peroration. I commend the new clauses and schedules to the House.

Question put and agreed to.

New clause 70 accordingly read a Second time, and added to the Bill.

New Clause 71

PARLIAMENTARY STANDARDS: MEMBERSHIP OF SPEAKER'S COMMITTEE

'(1) Schedule 3 to the Parliamentary Standards Act 2009 (Speaker's Committee for the Independent Parliamentary Standards Authority) is amended as follows.

(2) In paragraph 1—

(a) omit "and" at the end of sub-paragraph (c), and

(b) after sub-paragraph (d) insert ", and

(e) three lay persons appointed by resolution of the House of Commons."

(3) For the heading of paragraph 2 substitute "Appointed members".

(4) After paragraph 2 insert—

"Lay members

2A (1) In paragraph 1(e) "lay person" means a person who is not, and has never been, a member of either House of Parliament.

(2) A motion for a resolution under paragraph 1(e) may be made only with the agreement of the Speaker of the House of Commons.

(3) The person the subject of the motion must have been selected by the Speaker on merit on the basis of fair and open competition.

(4) An appointment under paragraph 1(e) is to be for a fixed term not exceeding five years.

(5) A person who has been appointed under paragraph 1(e) may not be appointed under paragraph 1(e) again.

(6) A person appointed under paragraph 1(e) ceases to be a member of the Committee if the person becomes a member of either House of Parliament.

(7) A person appointed under paragraph 1(e) may resign from the Committee by giving notice to the Committee.

(8) The Speaker of the House of Commons may require the IPSA to pay to members of the Committee appointed under paragraph 1(e) such remuneration and allowances as the Speaker may determine.

(9) The IPSA must make the payment accordingly.".'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 72

PARLIAMENTARY STANDARDS: TRANSPARENCY ETC

'(1) The Parliamentary Standards Act 2009 is amended as follows.

(2) After section 3 insert—

"3A General duties of the IPSA

(1) In carrying out its functions the IPSA must have regard to the principle that it should act in a way which is efficient, cost-effective and transparent.

(2) In carrying out its functions the IPSA must have regard to the principle that members of the House of Commons should be supported in efficiently, cost-effectively and transparently carrying out their Parliamentary functions."

(3) In section 5 (MPs' allowances scheme) after subsection (5) insert—

"(5A) When the scheme (or revision) is laid, the IPSA must publish in a way it considers appropriate—

(a) the scheme (or revision), and

(b) a statement of its reasons for adopting that scheme (or making that revision)."

(4) In section 6 (dealing with claims under the MPs' allowances scheme) after subsection (7) insert—

"(8) The IPSA must publish such information as it considers appropriate in respect of—

(a) each claim made under or by virtue of this section, and

(b) each payment of an allowance by the IPSA under or by virtue of this section.

(9) The IPSA must publish the information at times it considers appropriate and in a way it considers appropriate.

(10) The IPSA must determine procedures to be followed by the IPSA in relation to publication of the information, and in doing so must consult—

(a) the Speaker of the House of Commons,

(b) the Leader of the House of Commons,

(c) the House of Commons Committee on Standards and Privileges,

(d) the Compliance Officer, and

(e) any other person the IPSA considers appropriate."'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 73

PARLIAMENTARY STANDARDS: MPs' SALARIES

'(1) For section 4 of the Parliamentary Standards Act 2009 (c. 13) (MPs' salaries) substitute—

"4 MPs' salaries

(1) Members of the House of Commons are to receive a salary for the relevant period.

(2) The salaries are to be paid by the IPSA.

(3) Salaries are to be paid on a monthly basis in arrears.

(4) The amounts of the salaries are to be determined by the IPSA (see section 4A).

(5) "Relevant period", in relation to a person who is a member of the House of Commons, means the period beginning with the day after the day of the poll for the parliamentary election at which the member was elected and ending with—

(a) if the person is a member immediately before Parliament is dissolved, the day of the poll for the parliamentary general election which follows the dissolution;

(b) otherwise, the day on which the person ceases to be a member.

(6) No payment of salary is to be made to a member before the member has made and subscribed the oath required by the Parliamentary Oaths Act 1866 (or the corresponding affirmation).

(7) The duty of the IPSA to pay a salary to a member is subject to anything done in relation to the member in the exercise of the disciplinary powers of the House of Commons.

4A Determination of MPs' salaries

(1) This section is about determinations under section 4(4).

(2) A determination may provide for higher salaries to be payable to members while holding an office or position specified for the purposes of this subsection in a resolution of the House of Commons.

(3) A determination by virtue of subsection (2) may make different provision for different offices or positions or different classes of member (and may include exceptions).

(4) A determination may include a formula or other mechanism for adjusting salaries from time to time.

(5) A determination (other than the first determination) may have retrospective effect.

(6) The IPSA must review the current determination (and make a new determination as appropriate)—

(a) in the first year of each Parliament;

(b) at any other time it considers appropriate.

(7) In reviewing a determination (and before making the first determination) the IPSA must consult—

(a) the Review Body on Senior Salaries,

(b) persons appearing to the IPSA to represent persons likely to be affected by the determination or the review,

(c) the Minister for the Civil Service,

(d) the Treasury, and

(e) any other person the IPSA considers appropriate.

(8) After making a determination, the IPSA must publish in a way it considers appropriate—

(a) the determination, and

(b) a statement of how it arrived at the determination.

(9) If the IPSA reviews the current determination but decides not to make a new determination, it must publish in a way it considers appropriate a statement of how it arrived at that decision.

(10) The IPSA may delegate to the Review Body on Senior Salaries its function of reviewing a determination (but not its function of deciding whether or not to make a new determination)."

(2) The first determination under section 4(4) of the Parliamentary Standards Act 2009 does not have to come into effect before 1 April 2012; and section 4A(6)(a) of that Act does not apply in relation to a Parliament that begins before that date.

(3) Until the first determination under section 4(4) of that Act comes into effect, the amounts of the salaries payable by the Independent Parliamentary Standards Authority under section 4 of that Act are to be determined in accordance with the relevant resolutions of the House of Commons.'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 74

PARLIAMENTARY STANDARDS: MPs' ALLOWANCES SCHEME

In section 5 of the Parliamentary Standards Act 2009 (MPs' allowances scheme) after subsection (8) insert—

"(8A) Any duty of the IPSA to pay an allowance to a member is subject to anything done in relation to the member in the exercise of the disciplinary powers of the House of Commons.".'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 75

PARLIAMENTARY STANDARDS: ALLOWANCES CLAIMS

'(1) Section 6 of the Parliamentary Standards Act 2009 (dealing with claims under the MPs' allowances scheme) is amended as follows.

(2) Omit subsections (4) and (5).

(3) In subsection (6) for paragraph (b) substitute—

"(b) provision for deducting amounts within subsection (6A) from allowances payable under the scheme or salaries payable under section 4;

(c) provision about how such deductions, and deductions under paragraph 5 or 12 of Schedule 4, are to be made."

(4) After subsection (6) insert—

"(6A) This subsection applies to amounts which a member (under section 9(8) or otherwise) has agreed to repay, in respect of amounts paid to the member under the MPs' allowances scheme which should not have been allowed."

(5) After section 6 of that Act insert—

"6A Review of IPSA's determination

(1) This section applies if—

(a) the IPSA determines under section 6(3) that a claim is to be refused or that only part of the amount claimed is to be allowed, and

(b) the member (after asking the IPSA to reconsider the determination and giving it a reasonable opportunity to do so) asks the Compliance Officer to review the determination (or any altered determination resulting from the IPSA's reconsideration).

(2) The Compliance Officer must—

(a) consider whether the determination (or the altered determination) is the determination that should have been made, and

(b) in light of that consideration, decide whether or not to confirm or alter it.

(3) The Compliance Officer must give the IPSA a statement of any decision under subsection (2)(b), and may include a statement of the Compliance Officer's findings about the way in which the IPSA has dealt with the claim.

(4) The IPSA must make any payments or adjustments necessary to give effect to the Compliance Officer's decision; but it must not do so until—

(a) it is no longer possible for there to be a relevant appeal, and

(b) all relevant appeals have been withdrawn or determined.

(5) A relevant appeal is—

(a) an appeal under subsection (6) brought before the end of the period mentioned in subsection (7), or

(b) a further appeal in relation to the Compliance Officer's decision which—

(i) is brought before the end of the usual period for bringing such an appeal, and

(ii) is an appeal against the determination of an appeal which was itself a relevant appeal.

(6) The member may appeal to the First-tier Tribunal against a decision of the Compliance Officer under subsection (2)(b).

(7) The appeal must be brought before the end of the period of 28 days beginning with the day on which notice of the decision is sent to the member (unless the Tribunal directs that it may be brought after the end of that period).

(8) The appeal is by way of a rehearing.

(9) On an appeal under subsection (6) the Tribunal may—

(a) allow the appeal in whole or in part, or

(b) dismiss the appeal.

(10) If the Tribunal allows the appeal (in whole or in part) it may—

(a) order the IPSA to make any payments or adjustments necessary to give effect to that decision;

(b) make any other order it thinks fit.

(11) If the Tribunal dismisses the appeal it may make any other order it thinks fit.

(12) The Compliance Officer must notify the IPSA of the Tribunal's decision (and the result of any further appeal).".'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 76

PARLIAMENTARY STANDARDS: MPs' CODE OF CONDUCT RELATING TO FINANCIAL INTERESTS

'Omit section 8 of the Parliamentary Standards Act 2009 (c. 13) (MPs' code of conduct relating to financial interests) and the italic heading before it.'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 77

PARLIAMENTARY STANDARDS: INVESTIGATIONS

For section 9 of the Parliamentary Standards Act 2009 (investigations) substitute—

"9 Investigations

(1) The Compliance Officer may conduct an investigation if the Compliance Officer has reason to believe that a member of the House of Commons may have been paid an amount under the MPs' allowances scheme that should not have been allowed.

(2) An investigation may be conducted—

(a) on the Compliance Officer's own initiative,

(b) at the request of the IPSA,

(c) at the request of the member, or

(d) in response to a complaint by an individual.

(3) For the purposes of the investigation the member and the IPSA—

(a) must provide the Compliance Officer with any information (including documents) the Compliance Officer reasonably requires, and

(b) must do so within such period as the Compliance Officer reasonably requires.

(4) The Compliance Officer must, after giving the member and the IPSA an opportunity to make representations to the Compliance Officer, prepare a statement of the Compliance Officer's provisional findings.

(5) The Compliance Officer must, after giving the member and the IPSA an opportunity to make representations to the Compliance Officer about the provisional findings, prepare a statement of the Compliance Officer's findings (subject to subsection (7)).

(6) Provisional findings under subsection (4) and findings under subsection (5) may include—

(a) a finding that the member failed to comply with subsection (3),

(b) findings about the role of the IPSA in the matters under investigation.

(7) If subsection (8) applies, the Compliance Officer need not make a finding under subsection (5) as to whether the member was paid an amount under the MPs' allowances scheme that should not have been allowed.

(8) This subsection applies if—

(a) the member accepts a provisional finding that the member was paid an amount under the MPs' allowances scheme that should not have been allowed,

(b) such other conditions as may be specified by the IPSA are, in the Compliance Officer's view, met in relation to the case, and

(c) the member agrees to repay to the IPSA, in such manner and within such period as the Compliance Officer considers reasonable, such amount as the Compliance Officer considers reasonable (and makes the repayment accordingly).

(9) Before specifying conditions under subsection (8)(b) the IPSA must consult the persons listed in section 9A(6).

(10) References in this section (and section 9A) to a member of the House of Commons include a former member of that House.

9A Procedures etc

(1) The IPSA must determine procedures to be followed by the Compliance Officer in relation to investigations under section 9.

(2) The procedures must in particular include provision about—

(a) complaints under section 9(2)(d),

(b) representations under section 9(4),

(c) representations under section 9(5), and

(d) the circumstances in which the Compliance Officer must publish the documents listed in subsection (4).

(3) Provision under subsection (2)(b) must include provision giving the member who is the subject of the investigation—

(a) an opportunity to be heard in person, and

(b) an opportunity, where the Compliance Officer considers it appropriate, to call and examine witnesses.

(4) The documents referred to in subsection (2)(d) are—

(a) statements of provisional findings under section 9(4),

(b) statements of findings under section 9(5), and

(c) agreements under section 9(8).

(5) The IPSA must also determine procedures to be followed by the Compliance Officer as to the circumstances in which the Compliance Officer must publish—

(a) statements under section 6A(3), and

(b) penalty notices under paragraph 6 of Schedule 4.

(6) Procedures under this section must be fair, and before determining procedures the IPSA must consult—

(a) the Speaker of the House of Commons,

(b) the Leader of the House of Commons,

(c) the House of Commons Committee on Standards and Privileges,

(d) the Compliance Officer, and

(e) any other person the IPSA considers appropriate.".'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 78

PARLIAMENTARY STANDARDS: ENFORCEMENT

'(1) After section 9A of the Parliamentary Standards Act 2009 insert—

"9B Enforcement

(1) Schedule 4 (which makes provision about the enforcement powers of the Compliance Officer) has effect.

(2) The Compliance Officer may provide to the Parliamentary Commissioner for Standards any information connected with an investigation under section 9 or action taken under Schedule 4 which the Compliance Officer considers may be relevant to the work of the Parliamentary Commissioner for Standards."

(2) After Schedule 3 to that Act insert the Schedule set out in Schedule [Parliamentary Standards Act 2009: new Schedule 4].'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 79

PARLIAMENTARY STANDARDS: RELATIONSHIPS WITH OTHER BODIES ETC

'After section 10 of the Parliamentary Standards Act 2009 insert—

"10A Relationships with other bodies etc

(1) The IPSA and the Compliance Officer must prepare a joint statement setting out how the IPSA and the Compliance Officer will work with the following—

(a) the Parliamentary Commissioner for Standards,

(b) the Director of Public Prosecutions,

(c) the Commissioner of Police of the Metropolis, and

(d) any other person the IPSA and the Compliance Officer consider appropriate.

(2) Before preparing the statement the IPSA and the Compliance Officer must consult the persons listed in subsection (1).

(3) Nothing in sections 9 to 9B (or Schedule 4) affects the disciplinary powers of the House of Commons.

(4) The powers conferred by sections 9 to 9B (and Schedule 4) may be exercised in relation to the conduct of a member of the House of Commons even if—

(a) the member is or has been the subject of criminal proceedings in relation to that conduct (whether or not convicted of an offence);

(b) the House of Commons is exercising or has exercised any of its disciplinary powers in relation to that conduct.

(5) References in subsection (4) to a member of the House of Commons include a former member of that House."'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 80

PARLIAMENTARY STANDARDS: FURTHER FUNCTIONS OF THE IPSA AND COMMISSIONER

'Omit section 11 of the Parliamentary Standards Act 2009 (c. 13) (further functions of the IPSA and Commissioner).'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 81

EXPIRY OF PROVISIONS OF THE PARLIAMENTARY STANDARDS ACT 2009

'Omit section 15 of the Parliamentary Standards Act 2009 (c. 13) (expiry of provisions of the Act).'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 82

PARLIAMENTARY STANDARDS: CONSEQUENTIAL AMENDMENTS

'Schedule [Parliamentary standards: consequential amendments] (which makes consequential amendments relating to sections [Parliamentary standards: Compliance Officer] to [Expiry of provisions of the Parliamentary Standards Act 2009]) has effect.'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 83

RESETTLEMENT GRANTS FOR MEPS

'(1) The European Parliament (Pay and Pensions) Act 1979 is amended as follows.

(2) In section 3 (resettlement grants for persons ceasing to be MEPs) for subsections (1) to (3) substitute—

"(1) The IPSA may make a scheme providing for allowances to be payable to persons to whom this section applies, in connection with their ceasing to be Representatives.

(2) It may do so only if a scheme under section 5 of the Parliamentary Standards Act 2009 (MPs' allowances scheme) makes provision for allowances to be payable in connection with persons ceasing to be Members on a dissolution of Parliament.

(3) A scheme under this section must make provision which is as nearly equivalent to the provision made by the scheme under section 5 of that Act as the IPSA considers practicable.

(3A) The IPSA must send to the Speaker of the House of Commons for laying before both Houses of Parliament—

(a) any scheme made by it under this section, and

(b) a statement of the reasons for making the scheme.

(3B) When the scheme and the statement of reasons have been laid, the IPSA must publish them in a way it considers appropriate.

(3C) This section applies to a person who is a Representative immediately before the end of a five-year period, and either—

(a) does not stand for election to the European Parliament at the general election of representatives to the European Parliament held in that period, or

(b) does so stand at that election (whether for the same or a different electoral region) and is not elected.

(3D) A scheme made by the IPSA under this section may amend or revoke any previous scheme made by the IPSA under this section."

(3) Omit section 3A (power to amend section 3).

(4) In section 7(1)(b) (expenses and receipts) for "grant" substitute "allowance".'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Clause 84

PARLIAMENTARY STANDARDS: PARLIAMENTARY PENSIONS

'Schedule [Parliamentary and other pensions] (which makes provision about pensions for members of the House of Commons, ministers and other office-holders) has effect.'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Schedule 6

SCHEDULE

PARLIAMENTARY STANDARDS ACT 2009: SUBSTITUDED SCHEDULE 2

"SCHEDULE 2

COMPLIANCE OFFICER

Appointment of Compliance Officer

1 (1) The Compliance Officer is to be appointed by the IPSA.

(2) The person to be appointed must be selected by the IPSA on merit on the basis of fair and open competition.

Terms and conditions: general

2 (1) Subject to the provisions of this Schedule, the Compliance Officer holds office in accordance with the terms and conditions of the Compliance Officer's appointment.

(2) Those terms and conditions are to be determined by the IPSA.

Term of office

3 (1) The Compliance Officer is to be appointed for a fixed term not exceeding five years.

(2) A person who has been appointed as the Compliance Officer may not be appointed again.

Resignation and removal from office

4 (1) A person may resign from the office of Compliance Officer by giving written notice to the IPSA.

(2) The IPSA may remove a person from the office of Compliance Officer if the person—

(a) is convicted of an offence (see sub-paragraph (3)),

(b) becomes bankrupt (see sub-paragraph (4)), or

(c) is unfit or unable to carry out the functions of the office.

(3) For the purposes of determining if the person is convicted of an offence—

(a) it does not matter where the person is convicted, and

(b) an act punishable under the law of a territory outside the United Kingdom constitutes an offence for the purposes of this paragraph (however it is described in that law).

(4) A person becomes bankrupt if—

(a) in England and Wales or Northern Ireland, a bankruptcy order is made in relation to the person, or

(b) in Scotland, the person's estate is sequestrated.

Remuneration

5 (1) The terms and conditions on which a person is appointed as the Compliance Officer may provide for the IPSA—

(a) to pay remuneration and allowances to the person;

(b) to make provision for a pension in relation to that person.

(2) The IPSA must make the payment or provision accordingly.

Status

6 (1) The Compliance Officer is not to be regarded—

(a) as the servant or agent of the Crown, or

(b) as enjoying any status, immunity or privilege of the Crown.

(2) The Compliance Officer's property is not to be regarded as property of, or property held on behalf of, the Crown.

Funding

7 (1) The IPSA must provide the Compliance Officer with adequate resources for the Compliance Officer's functions.

(2) In particular, the IPSA is responsible for providing staff to assist in the carrying out of those functions.

Annual report

8 (1) As soon as practicable after the end of each financial year, the Compliance Officer must—

(a) prepare a report about the performance of the Compliance Officer's functions during that financial year, and

(b) send the report to the IPSA.

(2) The IPSA must send the report to the Speaker of the House of Commons, who must lay it before each House of Parliament.

(3) When the Speaker lays the report, the Compliance Officer must publish it in such manner as the Compliance Officer considers appropriate.

(4) "Financial year" means—

(a) the period beginning with the day on which a Compliance Officer is first appointed and ending with the next following 31 March, and

(b) each successive period of 12 months.

Vacancy in office of Compliance Officer

9 (1) This paragraph applies if the office of Compliance Officer is vacant.

(2) The IPSA may authorise a member of the IPSA's staff provided under paragraph 7(2) to carry out the functions of the Compliance Officer during the vacancy.

(3) In relation to a vacancy of more than six months, the functions of the Compliance Officer may not be carried out by virtue of sub-paragraph (2) after the first six months.

Disqualification

10 (1) In Part 3 of Schedule 1 to the House of Commons Disqualification Act 1975 (other disqualifying offices) at the appropriate place insert—

"Compliance Officer for the Independent Parliamentary Standards Authority."

(2) In Part 3 of Schedule 1 to the Northern Ireland Assembly Disqualification Act 1975 (other disqualifying offices) at the appropriate place insert—

"Compliance Officer for the Independent Parliamentary Standards Authority."

Freedom of information

11 In Part 6 of Schedule 1 to the Freedom of Information Act 2000 (other public bodies and offices which are public authorities) at the appropriate place insert—

"Compliance Officer for the Independent Parliamentary Standards Authority."

Public records

12 In Schedule 1 to the Public Records Act 1958 (definition of public records) at the appropriate place in Part 2 of the Table at the end of paragraph 3 insert—

"Compliance Officer for the Independent Parliamentary Standards Authority."".—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Schedule 7

'SCHEDULE

'PARLIAMENTARY STANDARDS ACT 2009: NEW SCHEDULE 4

"SCHEDULE 4

ENFORCEMENT

PART 1

RECOVERY OF OVERPAYMENTS

Power to give repayment direction

1 (1) This paragraph applies where the Compliance Officer—

(a) has conducted an investigation in respect of a member of the House of Commons under section 9, and

(b) has made findings under section 9(5) that the member was paid an amount under the MPs' allowances scheme (the "overpayment") that—

(i) should not have been allowed, and

(ii) has not been repaid.

(2) The Compliance Officer must give the member a direction under this paragraph (a "repayment direction").

(3) A repayment direction must require the member to pay to the IPSA the amount of the overpayment before the end of the period specified in the direction (the "repayment period").

(4) A repayment direction may also require the member to do one or both of the following before the end of the repayment period—

(a) pay to the IPSA interest on the overpayment, at the rate and in relation to the period specified in the direction;

(b) pay to the IPSA an amount reasonably representing the costs incurred by the IPSA in relation to the overpayment, including the costs of the Compliance Officer in conducting the investigation.

(5) The Compliance Officer must send a copy of the repayment direction to the IPSA.

(6) References in this Part of this Schedule to a member of the House of Commons include a former member of that House.

(7) In this Schedule "overpayment", "repayment direction" and "repayment period" have the meaning given by this paragraph (but in relation to the repayment period, see further paragraph 4(3)).

The costs requirement

2 (1) The IPSA must prepare guidance about the circumstances in which the Compliance Officer should include in a repayment direction a requirement under paragraph 1(4)(b).

(2) The amount mentioned in paragraph 1(4)(b) is to be calculated by the Compliance Officer in accordance with a scheme prepared by the IPSA for that purpose.

(3) Before preparing guidance under sub-paragraph (1) or a scheme under sub-paragraph (2) the IPSA must consult the persons listed in section 9A(6).

Appeal against repayment direction

3 (1) A member who has been given a repayment direction under paragraph 1 may appeal to the First-tier Tribunal against—

(a) the Compliance Officer's findings under section 9(5);

(b) a requirement contained in the repayment direction because of paragraph 1(4).

(2) An appeal under this paragraph must be brought before the end of the period of 28 days beginning with the day on which the repayment direction is sent to the member (unless the Tribunal directs that it may be brought after the end of that period).

(3) An appeal under this paragraph is by way of a rehearing.

(4) On an appeal under this paragraph the Tribunal may—

(a) allow the appeal in whole or in part, or

(b) dismiss the appeal.

(5) If the Tribunal allows the appeal (in whole or in part) it may—

(a) revoke the repayment direction;

(b) revoke or vary any requirement contained in the repayment direction;

(c) make any other order it thinks fit.

(6) If the Tribunal dismisses the appeal it may make any other order it thinks fit.

(7) The Compliance Officer must notify the IPSA of the Tribunal's decision (and the result of any further appeal).

Extension of repayment period

4 (1) The member may at any time before the end of the repayment period make an application to the Compliance Officer for the Compliance Officer to extend (or further extend) the repayment period.

(2) The Compliance Officer must notify the IPSA of any decision by the Compliance Officer to extend (or further extend) the repayment period.

(3) If the Compliance Officer extends (or further extends) the repayment period, references in this Schedule to the repayment period are to that period as extended (or further extended) by the Compliance Officer.

(4) The member may appeal to the First-tier Tribunal against the Compliance Officer's decision on an application under this paragraph.

(5) An appeal under this paragraph must be brought before the end of the period of 28 days beginning with the day on which notice of the decision is sent to the member (unless the Tribunal directs that it may be brought after the end of that period).

(6) The appeal is by way of a rehearing.

(7) The Tribunal may—

(a) allow the appeal in whole or in part, or

(b) dismiss the appeal.

(8) If the Tribunal allows the appeal (in whole or in part) it may—

(a) revoke or vary the Compliance Officer's decision;

(b) make any other order it thinks fit.

(9) If the Tribunal dismisses the appeal it may make any other order it thinks fit.

(10) The Compliance Officer must notify the IPSA of the Tribunal's decision (and the result of any further appeal).

Enforcement of repayment direction

5 (1) This paragraph applies to any amount which a member is required by a repayment direction to pay to the IPSA, but only when—

(a) it is no longer possible for there to be a relevant appeal, and

(b) all relevant appeals have been withdrawn or determined.

(2) A relevant appeal is—

(a) an appeal under paragraph 3 brought before the end of the period mentioned in paragraph 3(2), or

(b) a further appeal in relation to the repayment direction which—

(i) is brought before the end of the usual period for bringing such an appeal, and

(ii) is an appeal against the determination of an appeal which was itself a relevant appeal.

(3) The IPSA may recover the amount by making deductions from—

(a) any salary payable to the member under section 4;

(b) any allowances payable to the member under the MPs' allowances scheme.

(4) In England and Wales and Northern Ireland the amount is recoverable, if a county court so orders on the application of the Compliance Officer, as if it were payable under an order of that court.

(5) In Scotland the amount is recoverable as if the repayment direction were an extract registered decree arbitral bearing a warrant for execution issued by the sheriff court of any sheriffdom in Scotland.

Part 2

Penalties

Power to impose penalties

6 (1) If sub-paragraph (3) or (4) applies to a member of the House of Commons, the Compliance Officer may by notice (a "penalty notice") impose a penalty on the member.

(2) A "penalty" means a sum of money payable by the member to the IPSA.

(3) This sub-paragraph applies if the Compliance Officer has made a finding under section 9(5) that the member has without reasonable excuse failed to comply with a requirement under section 9(3) (provision of information to Compliance Officer).

(4) This sub-paragraph applies if the Compliance Officer is satisfied that the member has without reasonable excuse failed to comply with any requirement contained in a repayment direction.

(5) The Compliance Officer must send a copy of the penalty notice to the IPSA.

(6) References in this Part of this Schedule to a member of the House of Commons include a former member of that House.

(7) In this Schedule "penalty notice" and "penalty" have the meanings given by this paragraph.

Amount of penalty

7 (1) The penalty notice must state the amount of the penalty.

(2) The amount of the penalty must not exceed £1,000.

(3) The amount in sub-paragraph (2) may be increased (or further increased) by an order made by a Minister of the Crown.

(4) An order under sub-paragraph (3) is to be made by statutory instrument.

(5) A statutory instrument containing an order under sub-paragraph (3) may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

Information to be contained in notice

8 (1) The penalty notice must (as well as stating the amount of the penalty) include information as to—

(a) the reasons for imposing the penalty,

(b) the period before the end of which the penalty is to be paid,

(c) how the penalty may be paid,

(d) the procedure and time limit for appealing,

(e) the effect of paragraph 12, and

(f) any other matter specified by the IPSA.

(2) Before specifying a matter the IPSA must consult the persons listed in section 9A(6).

Guidance etc

9 (1) The IPSA must prepare guidance about—

(a) the circumstances in which the Compliance Officer should impose a penalty under paragraph 6, and

(b) how the Compliance Officer should determine the amount of the penalty.

(2) Before preparing the guidance the IPSA must consult the persons listed in section 9A(6).

Review of penalty

10 (1) The Compliance Officer may at any time review a decision to impose a penalty on a member under paragraph 6.

(2) Following the review the Compliance Officer may cancel the penalty or reduce the amount of the penalty.

(3) If the Compliance Office does either of those things, the Compliance Officer must notify the IPSA.

(4) If the penalty (or part of the penalty) has already been paid the IPSA must repay the member accordingly.

Appeal against penalty

11 (1) A member on whom a penalty has been imposed under paragraph 6 may appeal to the First-tier Tribunal.

(2) An appeal under this paragraph must be brought before the end of the period of 28 days beginning with the day on which the penalty notice is sent to the member (unless the Tribunal directs that it may be brought after the end of that period).

(3) The appeal is by way of a rehearing.

(4) On an appeal under this paragraph the Tribunal may—

(a) allow the appeal and cancel the penalty,

(b) allow the appeal and reduce the penalty, or

(c) dismiss the appeal.

(5) The Compliance Officer must notify the IPSA of the Tribunal's decision (and the result of any further appeal).

Enforcement of penalty

12 (1) This paragraph applies to the amount of a penalty imposed on a member under paragraph 6, but only when—

(a) it is no longer possible for there to be a relevant appeal, and

(b) all relevant appeals have been withdrawn or determined.

(2) A relevant appeal is—

(a) an appeal under paragraph 11 brought before the end of the period mentioned in paragraph 11(2), or

(b) a further appeal in relation to the penalty notice which—

(i) is brought before the end of the usual period for bringing such an appeal, and

(ii) is an appeal against the determination of an appeal which was itself a relevant appeal.

(3) The IPSA may recover the amount by making deductions from—

(a) any salary payable to the member under section 4;

(b) any allowances payable to the member under the MPs' allowances scheme.

(4) In England and Wales and Northern Ireland the amount is recoverable, if a county court so orders on the application of the Compliance Officer, as if it were payable under an order of that court.

(5) In Scotland the amount is recoverable as if the penalty notice were an extract registered decree arbitral bearing a warrant for execution issued by the sheriff court of any sheriffdom in Scotland.

Payment of penalty into Consolidated Fund

13 The IPSA must pay into the Consolidated Fund—

(a) the amount of any penalty paid to the IPSA, and

(b) where the IPSA makes a deduction under paragraph 12(3), an amount corresponding to the amount of the deduction.".—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Schedule 8

'PARLIAMENTARY STANDARDS: CONSEQUENTIAL AMENDMENTS

1 The Parliamentary Standards Act 2009 (c. 13) is amended as follows.

2 In section 2(2) (effect of Act on House of Lords)—

(a) omit paragraph (a),

(b) omit "and" at the end of paragraph (b),

(c) in paragraph (c) for "paragraphs 4(2) and 8(1)" substitute "paragraph 8(2)", and

(d) after that paragraph insert ", and

(d) paragraph 7(5) of Schedule 4."

3 In section 5(8) (allowances) for the words from "and" to the end substitute "and in relation to any such allowances, references in this Act to a member of the House of Commons include a former member of that House."

4 (1) Section 12 (interpretation) is amended as follows.

(2) In subsection (1)—

(a) for ""the Commissioner"" substitute ""the Compliance Officer"", and

(b) omit the definition of "the MPs' code of conduct relating to financial interests".

(3) In subsection (2)—

(a) after "committee" (in each place) insert "or officer", and

(b) in paragraph (a) for "its" substitute "the".

5 (1) Section 13 (transitional provision) is amended as follows.

(2) Omit subsection (2)(b) and (c).

(3) In subsection (4) and (6)(c) for "Commissioner" substitute "Compliance Officer".

6 In section 14 (commencement) omit subsection (2)(d).

7 (1) Schedule 1 (the IPSA) is amended as follows.

(2) Omit paragraph 10 and the heading above it.

(3) In paragraph 18(1)—

(a) for paragraph (a) substitute—

"(a) section 4 (MPs' salaries), so far as relating to the payment (but not the determination) of salaries,",

(b) in paragraph (c), after "claims)" insert "(except as mentioned in sub-paragraph (2) below)", and

(c) omit the words following paragraph (c).

(4) In paragraph 18(2)—

(a) before paragraph (a) insert—

"(za) sections 4 and 4A (MPs' salaries) (except as mentioned in sub-paragraph (1) above),".

(b) after paragraph (a) insert—

"(aa) section 6(10) (determining procedures for publication of allowances claims),",

(c) omit paragraph (b) (and the "and" following it), and

(d) for paragraph (c) substitute—

"(c) section 9(8)(b) and (9) (determining conditions),

(d) section 9A (determining procedures for investigations etc),

(e) paragraphs 1, 2(2), 4(2) and 9(2) of Schedule 2 (appointment and removal of Compliance Officer etc), and

(f) paragraphs 2, 8 and 9 of Schedule 4 (scheme, guidance etc for Compliance Officer)."

(5) In paragraph 22(8) for "Any repayments" substitute "Any payments received by the IPSA as a result of a repayment direction under Schedule 4, and any repayments otherwise".'.—*(Mr. Straw.)*

Brought up, read the First and Second time, and added to the Bill.

New Schedule 9

'PARLIAMENTARY AND OTHER PENSIONS

PART 1

PARLIAMENTARY AND OTHER PENSIONS

The Parliamentary Contributory Pension Fund

Continuance of Fund

1 (1) There is to continue to be a fund known as the Parliamentary Contributory Pension Fund ("the Fund").

(2) The persons who are the trustees of the Fund immediately before this paragraph comes into force are to continue as the trustees of the Fund (subject to provision made by or under this Schedule).

(3) The IPSA may, after consulting the Minister for the Civil Service—

(a) remove a trustee of the Fund;

(b) fill any vacancy in the trustees;

(c) appoint additional trustees.

(4) The power conferred by sub-paragraph (3) is subject to any provision in a scheme under paragraph 3.

Powers of trustees

2 (1) The trustees of the Fund may invest the assets of the Fund, whether at the time in a state of investment or not, in any investment whatever and may also from time to time vary any such investments.

(2) The trustees of the Fund may settle or compromise any claim or dispute relating to the Fund, but—

(a) so far as the claim or dispute relates to a scheme under paragraph 3 or 7, they may do so only with the consent of the IPSA, and

(b) so far as the claim or dispute relates to a scheme under paragraph 11, they may do so only with the consent of the Minister for the Civil Service.

(3) The IPSA must consult the Minister for the Civil Service before giving its consent to the settlement or compromise of a claim or dispute relating to a 30 scheme under paragraph 3.

(4) Section 35(1) to (4) of the Pensions Act 1995 (pension scheme trustees must prepare statement of investment principles) applies to the trustees of the Fund despite any provision in regulations under section 35 of that Act which would (apart from this sub-paragraph) prevent it applying.

(5) Any provision in regulations under that section which would require the trustees of the Fund to consult the employer applies as if it required them to consult the IPSA and the Minister for the Civil Service.

Administration scheme

3 (1) The IPSA may make a scheme containing provision about—

(a) the administration of the Fund,

(b) the management of the Fund's assets,

(c) the number, qualification and proceedings of the trustees of the Fund, and

(d) the application of the Fund's assets in connection with the matters in paragraphs (a) to (c).

(2) A scheme under this paragraph may in particular—

(a) include any or all of the provisions specified in paragraphs 26 to 28,

(b) make different provision in relation to different cases, circumstances or persons,

(c) make such incidental, consequential and transitional provision (other than provision modifying an enactment or subordinate legislation) as the IPSA considers appropriate.

(3) In sub-paragraph (2)(c) the reference to subordinate legislation does not include a scheme under this paragraph.

(4) No provision of a scheme under this paragraph is to be construed as restricting the powers of the trustees under paragraph 2(1).

Procedure for administration scheme

4 (1) Before making a scheme under paragraph 3 the IPSA must consult—

(a) the Treasury,

(b) the Minister for the Civil Service,

(c) the trustees of the Fund,

(d) persons the IPSA considers to represent those likely to be affected by the scheme, and

(e) any other person the IPSA considers appropriate.

(2) The IPSA must send to the Speaker of the House of Commons for laying before the House of Commons—

(a) any representations made to it by the trustees of the Fund in response to consultation under this paragraph,

(b) any scheme made by it under paragraph 3, and

(c) a statement of the reasons for making the scheme.

(3) When the scheme and the statement of reasons have been laid, the IPSA must publish them in a way it considers appropriate.

Exchequer contribution to Fund

5 (1) In respect of each financial year an Exchequer contribution is to be paid into the Fund out of money provided by Parliament.

(2) Subject to any provision made by the IPSA under paragraph 6, the amount of the contribution for any financial year is to be calculated in accordance with recommendations for that year contained in a report made by the Government Actuary under this paragraph.

(3) The Government Actuary must make a report under this paragraph as soon as practicable after the beginning of—

(a) the period of three years beginning with the relevant date, and

(b) each succeeding period of three years.

(4) The "relevant date" means the date immediately following the end of the three year period which is current for the purposes of section 3 of the Parliamentary and other Pensions Act 1987 when this paragraph comes into force.

(5) The report is to be made to—

(a) the trustees of the Fund,

(b) the IPSA,

(c) the Minister for the Civil Service, and

(d) the Treasury.

(6) The report must—

(a) report on the general financial position of the Fund at the beginning of the period of three years in which the report is made, and

(b) make a recommendation as to the rate at which (subject to any subsequent report under this paragraph) Exchequer contributions should be paid into the Fund in respect of any financial year beginning after the report is made.

(7) The rate is to be expressed by reference to such matters as the Government Actuary considers appropriate.

(8) A copy of every report made by the Government Actuary under this paragraph is to be laid before the House of Commons.

Power to determine Exchequer contribution

6 (1) The IPSA may, with the consent of the Treasury and the Minister for the Civil Service, make provision for determining the Exchequer contribution in respect of any financial year.

(2) The "Exchequer contribution" means the amount to be paid into the Fund under paragraph 5.

(3) Before making provision under this paragraph the IPSA must consult—

(a) the trustees of the Fund, and

(b) persons appearing to the IPSA to represent persons likely to be affected by the provision.

(4) The IPSA must send to the Speaker of the House of Commons for laying before the House of Commons—

(a) any representations made by the trustees of the Fund in response to consultation under this paragraph,

(b) any provision made by the IPSA under this paragraph, and

(c) a statement of the reasons for making the provision.

(5) When the provision and the statement of reasons have been laid, the IPSA must publish them in a way it considers appropriate.

(6) Provision under this section may—

(a) apply to a financial year which has already ended or which has begun before the making of the provision, and

(b) make such incidental, consequential and transitional provision (other than provision modifying an enactment or subordinate legislation) as the IPSA considers appropriate.

MPs' pension scheme

MPs' pension scheme

7 (1) The IPSA may make a scheme containing provision about the application of the assets of the Fund in or towards the provision of pensions for or in respect of persons with service as a member of the House of Commons, in respect of that service.

(2) A scheme under this paragraph may not provide for the application of any of the assets of the Fund in or towards the provision of pensions for or in respect of persons with service as Lord Chancellor.

(3) A scheme under this paragraph may not provide for the application of any of the assets of the Fund in or towards the provision of pensions for or in respect of a person ("P") with service as—

(a) Prime Minister and First Lord of the Treasury, or

(b) Speaker of the House of Commons.

(4) Sub-paragraph (3) does not apply if P elects, in accordance with provision made by the scheme, to contribute to the Fund out of P's salary as a member of the House of Commons while holding the office of Prime Minister and First Lord of the Treasury or Speaker of the House of Commons.

(5) The provision mentioned in sub-paragraph (4) may not provide for a pension payable under the scheme for or in respect of P to be calculated by reference to service as a member of the House of Commons before 28 February 1991.

Meaning of "service as a member of the House of Commons"

8 (1) For the purposes of this Schedule a person is to be treated as a member of the House of Commons at any time if at that time a salary is or was payable to the person under—

(a) section 4 of the Parliamentary Standards Act 2009, or

(b) in relation to a time before that section was in force, the resolutions of

the House of Commons then in force relating to the remuneration of its members.

(2) For the purposes of this Schedule service as a member of the House of Commons includes service as the holder of a qualifying office or position.

(3) In relation to a time when a determination under section 4(4) of the Parliamentary Standards Act 2009 is in effect a "qualifying office or position" means an office or position in respect of which, because of section 4A(2) of that Act, a higher salary is payable than the salary payable to members of the House of Commons generally.

(4) In relation to a time before the first determination under section 4(4) of the Parliamentary Standards Act 2009 comes into effect a "qualifying office or position" means—

(a) the office of Chairman of Ways and Means and the office of Deputy Chairman of Ways and Means,

(b) an office or position in respect of which, under the resolutions of the House of Commons then in force relating to the remuneration of its members, a higher salary was payable than the salary payable to members of the House of Commons generally.

MPs' pension scheme: further provision

9 (1) A scheme under paragraph 7 may in particular—

(a) include any or all of the provisions specified in paragraphs 19 to 27, except for the provision specified in paragraph 24(2),

(b) make provision which has effect from a date earlier than the date the scheme is made,

(c) make provision in relation to service before the passing of this Act,

(d) make different provision in relation to different cases, circumstances or persons, and

(e) make such incidental, consequential and transitional provision (other than provision modifying an enactment or subordinate legislation) as the IPSA considers appropriate.

(2) In sub-paragraph (1)(e) the reference to subordinate legislation does not include a scheme under paragraph 7.

Procedure for MPs' pension scheme

10 (1) Before making a scheme under paragraph 7 the IPSA must consult—

(a) the Treasury,

(b) the Minister for the Civil Service,

(c) the trustees of the Fund,

(d) persons the IPSA considers to represent those likely to be affected by the scheme,

(e) the Government Actuary,

(f) the Review Body on Senior Salaries, and

(g) any other person the IPSA considers appropriate.

(2) The IPSA must send to the Speaker of the House of Commons for laying before the House of Commons—

(a) any representations made to it by the trustees of the Fund in response

to consultation under this paragraph,

(b) any scheme made by it under paragraph 7, and

(c) a statement of the reasons for making the scheme.

(3) When the scheme and the statement of reasons have been laid, the IPSA must publish them in a way it considers appropriate.

(4) The reference in sub-paragraph (1)(f) to the Review Body on Senior Salaries—

(a) if the name of the body is changed, is to be treated as a reference to the body by its new name, and

(b) if the functions of the body (or substantially corresponding functions) become functions of a different body, is to be treated as a reference to the body by which those functions are exercisable.

(5) Any question arising under sub-paragraph (4) is to be determined by the Speaker of the House of Commons.

Ministers' etc pension scheme

11 (1) The Minister for the Civil Service may make a scheme containing provision about the application of the assets of the Fund in or towards the provision of pensions for or in respect of persons with service to which this paragraph applies, in respect of that service.

(2) This paragraph applies to service as—

(a) the holder of an office specified in Parts 1 to 4 of Schedule 1 to the Ministerial and other Salaries Act 1975 (ministerial offices),

(b) the holder of an office specified in Part 1 of Schedule 2 to that Act (Opposition leaders and whips),

(c) Speaker of the House of Lords,

(d) Chairman of Committees of the House of Lords,

(e) Deputy Chairman of Committees of the House of Lords.

(3) A scheme under this paragraph may not provide for the application of any of the assets of the Fund in or towards the provision of pensions for or in respect of a person with service as—

(a) Lord Chancellor,

(b) Prime Minister and First Lord of the Treasury, or

(c) Speaker of the House of Commons.

Ministers' etc pension scheme: further provision

12 (1) A scheme under paragraph 11 may in particular—

(a) include any or all of the provisions specified in paragraphs 19 to 27 and 29,

(b) make provision which has effect from a date earlier than the date the scheme is made,

(c) make provision in relation to service before the passing of this Act (including, in relation to service within paragraph 11(2)(a) or (b), service before the passing of the Ministerial and other Salaries Act 1975),

(d) make different provision in relation to different cases, circumstances or persons, and

(e) make such incidental, consequential and transitional provision (other than provision modifying an enactment or subordinate legislation) as the Minister considers appropriate.

(2) In sub-paragraph (1)(e) the reference to subordinate legislation does not include a scheme under paragraph 11.

Procedure for Ministers' etc pension scheme

13 (1) Before making a scheme under paragraph 11 the Minister for the Civil Service must consult—

(a) the IPSA,

(b) the Government Actuary,

(c) the trustees of the Fund, and

(d) any other person the Minister considers appropriate.

(2) The Minister for the Civil Service must lay before the House of Commons—

(a) any representations made to the Minister by the trustees of the Fund in response to consultation under this paragraph,

(b) any scheme made by the Minister under paragraph 11, and

(c) a statement of the reasons for making the scheme.

(3) When the scheme and the statement of reasons have been laid, the Minister must publish them in a way the Minister considers appropriate.

Supplementary provision

Protection of accrued rights

14 (1) This paragraph applies where—

(a) the IPSA makes a scheme under paragraph 7, or

(b) the Minister for the Civil Service makes a scheme under paragraph 11,

(the "new scheme").

(2) The new scheme must not make any provision in relation to an accrued right which puts a person in a worse position than the person would have been in apart from the provision.

(3) Sub-paragraph (2) does not apply if the person making the new scheme is satisfied that—

(a) the person ("P") in respect of whose service the right has accrued (or will have accrued by the time the provision comes into force) is in service when the new scheme is made, or

(b) the new scheme gives P (or a person acting on P's behalf) the opportunity to opt for the accrued right to remain unaffected by the provision.

(4) If P has died, the references in sub-paragraph (3)(b) to P are to be read as references to the persons who because of the accrued right are entitled, or may become entitled, to a pension or to the benefit of any pension.

(5) In sub-paragraph (3)(a) "service" means—

(a) where the new scheme is a scheme under paragraph 7, service as a member of the House of Commons, and

(b) where the new scheme is a scheme under paragraph 11, service to which that paragraph applies.

Meaning of "accrued right"

15 (1) This paragraph applies for the interpretation of paragraph 14.

(2) "Accrued right", in relation to the new scheme, means so much of any right or entitlement to or in respect of a pension payable out of the Fund as—

(a) has accrued under the existing scheme in respect of service which was before the making of the new scheme, or

(b) by the time the new scheme comes into force, will have accrued under the existing scheme in respect of service of a person within sub-paragraph (3).

(3) A person is within this sub-paragraph if the person's service includes a period of service before the making of the new scheme.

(4) Where the new scheme is a scheme under paragraph 7, in this paragraph—

(a) "existing scheme" means the schemes under paragraph 7 in force, or made but not yet in force, when the new scheme is made, and

(b) "service" means service as a member of the House of Commons.

(5) Where the new scheme is a scheme under paragraph 11, in this paragraph—

(a) the "existing scheme" means the schemes under paragraph 11 in force, or made but not yet in force, when the new scheme is made, and

(b) "service" means service to which that paragraph applies.

(6) In this paragraph references to a right or entitlement include a future or contingent right or entitlement.

Power to make consequential amendments

16 (1) The Minister for the Civil Service may by order make such modifications of any enactment or subordinate legislation (whenever passed or made) as the Minister considers appropriate in consequence of any provision of a scheme made by the IPSA or the Minister for the Civil Service under this Part of this Schedule.

(2) In sub-paragraph (1) the reference to subordinate legislation does not include a scheme made by the IPSA or the Minister for the Civil Service under this Part of this Schedule.

(3) An order under this paragraph is to be made by statutory instrument.

(4) A statutory instrument containing an order under this paragraph is subject to annulment in pursuance of a resolution of either House of Parliament.

Interpretation etc

17 (1) A scheme made by the IPSA under paragraph 3 or 7 may amend or revoke any previous scheme made by the IPSA under that paragraph.

(2) A scheme made by the Minister for the Civil Service under paragraph 11 may amend or revoke any previous scheme made by the Minister under that paragraph.

(3) In this Part of this Schedule—

"the Fund" means the Parliamentary Contributory Pension Fund;

"the IPSA" means the Independent Parliamentary Standards Authority;

"modifications" includes additions, alterations and omissions (and related expressions are to be read accordingly);

"pension" includes gratuity;

"subordinate legislation" has the same meaning as in the Interpretation Act 1978.

PART 2

PROVISION WHICH MAY BE INCLUDED IN SCHEMES

Introductory

18 (1) In this Part of this Schedule "relevant service"—

(a) for the purposes of paragraph 9(1)(a), means service as a member of

the House of Commons, and

(b) for the purposes of paragraph 12(1)(a), means service to which

paragraph 11 applies.

(2) Expressions defined in relation to Part 1 of this Schedule have the same meaning in this Part of this Schedule as in that Part.

Contributions

19 Provision authorising or requiring contributions and other sums to be paid into the Fund by or on behalf of persons in relevant service, including provision for those contributions and sums to be paid—

(a) by deductions from salary;

(b) in the case of a person who does not draw a salary, out of money provided by Parliament.

Conditions etc

20 Provision as to—

(a) the circumstances in which there is to be entitlement to a pension payable out of the Fund;

(b) the conditions of any such entitlement;

(c) the persons to or for the benefit of whom such a pension is payable;

(d) the calculation of the amount of any such pension;

(e) the payment or commutation of any such pension.

Pensions not paid out of Fund

21 (1) Provision for the application of assets of the Fund in or towards the provision of pensions to be paid otherwise than out of the Fund.

(2) In connection with such provision, provision for the payment into the Fund out of money provided by Parliament of sums in addition to those paid into the Fund under paragraph 5.

Transfer values

22 (1) Provision for the payment and receipt of transfer values by the trustees of the Fund (including provision for the payment of such values into the Consolidated Fund).

(2) Provision for the transfer and receipt by the trustees of the Fund of funds or policies of insurance in lieu of transfer values.

Service

23 Provision authorising service other than relevant service to be taken into account, in addition to relevant service, for the purposes of any provision of the scheme.

Repayments

24 (1) Provision as to the circumstances and manner in which amounts equal to some or all of the contributions and other sums paid by or on behalf of a person into the Fund may be repaid or paid to that person.

(2) Provision as to the circumstances and manner in which any such amounts are to be paid out of the Consolidated Fund in respect of transfer values paid into that Fund.

(3) Provision under sub-paragraph (1) or (2) may include provision as to whether any repayment or payment made under that provision is to be made with or without interest.

Assignment etc.

25 Provision rendering void—

(a) any assignment (or, in Scotland, assignation) of a pension which is payable or may become payable out of the Fund;

(b) any charge on such a pension;

(c) any agreement to assign or charge such a pension.

Functions

26 Provision conferring functions under the scheme on persons specified in or determined under the scheme.

Approvals

27 Provision making the approval, satisfaction or opinion of persons on whom functions are conferred by or under the scheme material for the purposes of any provision of the scheme.

Payments without probate

28 Provision authorising (in relation to such cases, circumstances or persons as may be specified in or determined under the scheme) any sum due to be paid out of the Fund in respect of a person who has died to be paid without probate or other proof of title.

Application of other provisions

29 Provision which (with or without modifications) applies in relation to a pension payable out of the Fund so much of any enactment or subordinate legislation (whenever passed or made) as relates to another pension, being a pension payable out of money provided by Parliament.

PART 3

AMENDMENTS, TRANSITIONAL PROVISION ETC

Pensions (Increase) Act 1971 (c. 56)

30 (1) Part 1 of Schedule 2 is amended as follows.

(2) For paragraph 3A substitute—

"3A A pension which, under a scheme under paragraph 7 or 11 of Schedule [Parliamentary and other pensions] to the Constitutional Reform and Governance Act 2010, is payable out of the Parliamentary Contributory Pension Fund."

(3) In paragraph 3B for "an order" substitute "a scheme".

Parliamentary and other Pensions Act 1972 (c. 48)

31 (1) Section 27 (pensions for dependants of Prime Minister or Speaker) is amended as follows.

(2) In subsection (1)—

(a) in paragraph (a) for the words from "in respect" to the end substitute "under a scheme made by the Minister for the Civil Service under paragraph 11 of Schedule [*Parliamentary and other pensions*] to the Constitutional Reform and Governance Act 2010 to receive a pension payable out of the Parliamentary Contributory Pension Fund in respect of service to which that paragraph applies", and

(b) in paragraph (c) for "Treasury" substitute "Minister for the Civil Service".

(3) In subsection (2)—

(a) for "the Parliamentary pension scheme" substitute "a scheme made by the Minister for the Civil Service under paragraph 11 of Schedule [*Parliamentary and other pensions*] to the Constitutional Reform and Governance Act 2010",

(b) in paragraph (a) for "as a Member of the House of Commons"

substitute "to which that paragraph applies", and

(c) in paragraph (b), for "Leader of the House of Commons" substitute "Minister for the Civil Service".

(4) In subsection (5), omit from ""the Leader" to the end.

32 (1) The amendments made by paragraph 31 do not apply in relation to a person who, having held office as Prime Minister and First Lord of the Treasury or Speaker of the House of Commons, died before that paragraph comes into force.

(2) In relation to such a person section 27 of the Parliamentary and other Pensions Act 1972, and the provisions designated under that section, have effect as if this Act had not been passed.

European Parliament (Pay and Pensions) Act 1979 (c. 50)

33 (1) Section 4 (pensions) is amended as follows.

(2) In subsection (1)—

(a) for "Leader of the House of Commons may by order make" substitute "IPSA may make a scheme containing", and

(b) for "by the order" substitute "in the scheme".

(3) In subsection (2)—

(a) for "orders" substitute "a scheme", and

(b) for "order" substitute "scheme".

(4) In subsection (3)—

(a) for "an order" substitute "a scheme", and

(b) in paragraphs (d) and (g) for "order" substitute "scheme".

(5) In subsection (3A), for "An order" substitute "A scheme".

(6) For subsection (4) substitute—

"(4) Before making a scheme under this section the IPSA must consult—

(a) the Treasury,

(b) the Minister for the Civil Service,

(c) persons it considers to represent those likely to be affected by the scheme,

(d) the Government Actuary, and

(e) any other person it considers appropriate.

(4A) The IPSA must send to the Speaker of the House of Commons for laying before both Houses of Parliament—

(a) any scheme made by it under this section, and

(b) a statement of the reasons for making the scheme.

(4B) When the scheme and the statement of reasons have been laid, the IPSA must publish them in a way it considers appropriate."

(7) For subsection (5) substitute—

"(5) The IPSA must from time to time prepare a report on the operation of any provisions in force under this section, and send it to the Speaker of the House of Commons for laying before both Houses of Parliament."

(8) After subsection (7) insert—

"(8) A scheme made by the IPSA under this section may amend or revoke any previous scheme made by the IPSA under this section."

34 (1) Section 6 (block transfer into another pension scheme) is amended as follows.

(2) In subsection (1)—

(a) for "Leader of the House of Commons may by order" substitute "IPSA may, with the consent of the Treasury and the Minister for the Civil Service", and

(b) for "the order" substitute "the direction".

(3) In subsection (2)—

(a) for "making an order" substitute "giving a direction",

(b) for "Leader of the House of Commons" substitute "IPSA",

(c) for "he" (in both places) substitute "it",

(d) for "make such an order" substitute "give such a direction", and

(e) for "the order" substitute "the direction".

(4) In subsection (4), in the definition of "the relevant pension provisions"—

(a) for "an order" substitute "a direction",

(b) for "orders" substitute "a scheme", and

(c) for "order is made" substitute "direction is given".

35 (1) Section 7 (expenses and receipts) is amended as follows.

(2) In subsection (1)(c) (expenses and receipts)—

(a) for "any order" substitute "a scheme", and

(b) omit the words from "or of any" to the end.

(3) In subsection (1)(d) for "an order" substitute "a direction".

36 (1) Section 8 is amended as follows.

(2) In subsection (1) (interpretation)—

(a) after the definition of "electoral region" insert—

"the IPSA" means the Independent Parliamentary Standards Authority;", and

(b) omit the definition of "the Leader of the House of Commons".

(3) Omit subsection (2).

House of Commons Members' Fund and Parliamentary Pensions Act 1981 (c. 7)

37 In section 1 (entitlement to payments out of House of Commons Members' Fund)—

(a) in subsection (5)(b) for "paragraph (b), (c) or (d) of section 2(2) of the Parliamentary and other Pensions Act 1987" substitute "subsection (5A)", and

(b) after subsection (5) insert—

"(5A)

The offices are—

(a) the offices mentioned in paragraph 11(2)(a), (b), (d) or (e) of Schedule [*Parliamentary and other pensions*] to the Constitutional Reform and Governance Act 2010;

(b) the offices of Chairman of Ways and Means and Deputy Chairman of Ways and Means."

Parliamentary and other Pensions Act 1987 (c. 45)

38 Omit—

(a) section 1,

(b) section 2(1) to (8) and (10),

(c) section 3, and

(d) Schedule 1.

39 (1) This paragraph applies if an order under section 61 or 62 of this Act provides that (despite the repeals in paragraph 38) any of the existing regulations are to have effect as if contained in a scheme under paragraph 3, 7 or 11.

(2) The order may provide for any provision of the existing regulations which—

(a) relates to one or more of the matters listed in paragraph 3(1), but

(b) could not be contained in a scheme under paragraph 3, to have effect as if contained in a scheme under that paragraph.

(3) If it does so a scheme under paragraph 3 may—

(a) revoke the provision;

(b) amend it so that it makes provision which may be contained in a scheme under that paragraph (but not otherwise amend it).

(4) The order may provide for any provision of the existing regulations which—

(a) relates to service as a member of the House of Commons, but

(b) could not be contained in a scheme under paragraph 7, to have effect as if contained in a scheme under that paragraph.

(5) If it does so a scheme under paragraph 7 may—

(a) revoke the provision;

(b) amend it so that it makes provision which may be contained in a scheme under that paragraph (but not otherwise amend it).

(6) The order may provide for any provision of the existing regulations which—

(a) relates to service to which paragraph 11 applies, but

(b) could not be contained in a scheme under that paragraph, to have effect as if contained in a scheme under that paragraph.

(7) If it does so a scheme under paragraph 11 may—

(a) revoke the provision;

(b) amend it so that it makes provision which may be contained in a scheme under that paragraph (but not otherwise amend it).

(8) "The existing regulations" means regulations under section 2 of the Parliamentary and other Pensions Act 1987.

Ministerial and other Pensions and Salaries Act 1991 (c. 5)

40 Omit section 6.

Pensions Act 2004 (c. 35)

41 In section 249A(3)(c) (schemes to which section 249A does not apply) for "section 2 of the Parliamentary and other Pensions Act 1987 (c. 45)" substitute "paragraph 3, 7 or 11 of Schedule [*Parliamentary and other pensions*] to the Constitutional Reform and Governance Act 2010".

Parliamentary Standards Act 2009 (c. 13)

42 (1) In section 5(9) (MPs' allowances scheme does not affect pensions) for "the Parliamentary and other Pensions Act 1987 (c. 45)" substitute "Schedule [*Parliamentary and other pensions*] to the Constitutional Reform and Governance Act 2010".

(2) In paragraph 18 of Schedule 1 (IPSA's administration and regulation functions), after sub-paragraph (2) insert—

"(3) The IPSA's functions under the following provisions are also regulation functions—

(a) sections 3, 4 and 6 of the European Parliament (Pay and Pensions) Act 1979 (but not any function relating to the administration of a scheme under section 3 or 4);

(b) paragraphs 1, 3, 4, 6, 7 and 10 of Schedule [*Parliamentary and other pensions*] to the Constitutional Reform and Governance Act 2010 (but not any function relating to the administration of a scheme under paragraph 3 or 7).".'.—[*Mr. Straw.*]

Brought up, read the First and Second time, and added to the Bill.

New Clause 85

TAX STATUS OF MPS AND MEMBERS OF THE HOUSE OF LORDS

'(1) Subsection (2) applies if a person is for any part of a tax year—

(a) a member of the House of Commons, or

(b) a member of the House of Lords.

(2) The person is to be treated for the purposes of the taxes listed in subsection (3) as resident, ordinarily resident and domiciled in the United Kingdom for the whole of that tax year.

(3) The taxes are—

(a) income tax,

(b) capital gains tax, and

(c) inheritance tax.

(4) For the purposes of this section a person—

(a) becomes a member of the House of Commons when (having been elected to that House) the person makes and subscribes the oath required by the Parliamentary Oaths Act 1866 (c. 19) (or the corresponding affirmation), and

(b) ceases to be a member of that House when—

(i) the Parliament to which the person was elected is dissolved, or

(ii) the person's seat is otherwise vacated.

(5) For the purposes of this section and section [Tax status of members of the House of Lords: transitional provision] a person is a member of the House of Lords if the person is entitled to receive writs of summons to attend that House.

(6) In relation to a member of the House of Lords, in subsection (1) the reference to any part of a tax year excludes any part of the year during which—

(a) section 137(3) of the Constitutional Reform Act 2005 (c. 4) applies to the member, or

(b) the member is entitled to receive writs of summons to attend the House of Lords by virtue of being an archbishop or bishop.

(7) This section applies in relation to the tax year 2010-11 and subsequent tax years.

(8) But in applying this section to the tax year 2010-11—

(a) if the Parliament in which this Act is passed is dissolved in that tax year, ignore a person's membership of the House of Commons in that Parliament, and

(b) in any event, ignore a person's membership of the House of Lords at any time before the end of the period of 3 months beginning with the day on which section [Tax status of members of the House of Lords: transitional provision] comes into force.

(9) In this section, in relation to inheritance tax—

(a) "tax year" means a year beginning on 6 April and ending on the following 5 April, and

(b) "the tax year 2010-11" means the tax year beginning on 6 April 2010.

(10) In determining for the purposes of this section and section [Tax status of members of the House of Lords: transitional provision] whether a person is entitled to receive writs of summons to attend the House of Lords, ignore—

(a) section 2 of the Forfeiture Act 1870 (c. 23);

(b) sections 426A and 427 of the Insolvency Act 1986 (c. 45);

(c) any suspension resolution passed in relation to the person under section 31.'.—(*Mr. Wills.*)

Brought up, and read the First time.

The Minister of State, Ministry of Justice (Mr. Michael Wills): I beg to move, That the clause be read a Second time.

The Temporary Chairman (Mr. Eric Illsley): With this it will be convenient to discuss the following:

Government new clause 86—*Tax status of members of the House of Lords: transitional provision.*

New clause 52—*Disqualification from membership of the House of Commons and the House of Lords on grounds of residence and domicile for taxation purposes*—

'(1) Subject to the provisions of this section, a person is disqualified from membership of the House of Commons and House of Lords if he does not comply with the conditions set out in subsection (2).

(2) The conditions referred to in subsection (1) are—

(a) that he was resident in the United Kingdom for the purposes of Part 14 of the Income Tax Act 2007 (c. 3) for the tax year during which he was elected or appointed and for each subsequent tax year; and

(b) in the case of a non-domiciled United Kingdom resident, that he has not made a claim to be taxed on the remittance basis in respect of the tax year in which he was first elected or appointed, nor in any of the previous 10 tax years, nor in any subsequent tax year during which he was a Member of Parliament.

(3) Members of Parliament must submit a declaration to the relevant authority indicating that they are in compliance with the conditions set out in subsection (2).

(4) A declaration under subsection (3) must be submitted to the relevant authority—

(a) within 30 days of the date of election or appointment;

(b) in the case of existing members of the House of Commons, within 30 days of the date on which this Act comes into force, and within 30 days of their election to any subsequent Parliament; or

(c) in the case of existing members of the House of Lords, within 30 days of the date on which this Act comes into force, and subsequently between 1 February and 5 April in each calendar year.

(5) Declarations must be made in accordance with arrangements made by the relevant authorities.

(6) Members of Parliament who do not submit a declaration in accordance with subsections (4) and (5) shall be liable to disqualification under this section.

(7) In sections 6 and 7 of the House of Commons Disqualification Act 1975 (c. 24), references to that Act shall be construed as including references to the Constitutional Reform and Governance Act 2010.

(8) In this section—

"appointed" means to have received a writ of summons to attend the House of Lords;

"Member of Parliament" means a member of the House of Commons or a member of the House of Lords;

"relevant authority" means—in the case of the House of Commons, the Speaker, and in the case of the House of Lords, the Lord Speaker.'.

New clause 53—*Members of House of Commons and House of Lords to be treated as domiciled in United Kingdom (No. 2)*—

'Any person who—

(a) is (or is elected to serve as) a member of the House of Commons, or

(b) when this section comes into force is a member of the House of Lords, or

(c) subsequently becomes a member of the House of Lords,

is to be treated by Her Majesty's Revenue and Customs as being domiciled, resident and ordinarily resident in the United Kingdom, and will be liable to pay United Kingdom taxes accordingly in any relevant tax accounting year in which he holds membership of the House of Commons or the House of Lords.'.

New clause 54—*Deemed resignation and suspension on grounds of tax status*—

'(1) A member of the House of Lords is deemed to have resigned under section 32 if, after the commencement of this section, he makes a declaration to the effect that—

(a) he is not resident in the United Kingdom for the purposes of income tax, or

(b) in the previous 12 months he has made a claim to be taxed on the remittance basis as a non-domiciled resident.

(2) The date of a resignation under subsection (1) is the day the declaration is made.

(3) A resignation under this section comes into effect regardless of whether it would be a valid resignation under section 32.

(4) Every member of the House of Lords must make a declaration at least once every calendar year about his residence and domicile for tax purposes.

(5) A declaration under subsection (4) must state the member's belief about his residence for tax purposes and about whether he has made a claim to be taxed on the remittance basis as a non-domiciled resident.

(6) A copy of every declaration made under subsection (4) shall be deposited with the Clerk of the Parliaments.

(7) A member of the House of Lords who fails to make a declaration under subsections (4) and (5) by the last day of December of any year is suspended from the House of Lords from the following day as if a resolution of suspension had been passed under section 31, such suspension to last until such time as the member makes a declaration complying with subsection (5).

(8) A member of the House of Lords who dishonestly makes a false declaration under this section is guilty of an offence.

(9) Anyone found guilty of an offence under subsection (8)—

(a) shall be disqualified from membership of the House of Lords, and

(b) shall be liable to imprisonment of up to five years and to an unlimited fine.

(10) The offence created by subsection (8) shall be triable on indictment only.'.

New clause 55—*Tax status of members of the House of Commons*—

'(1) Every member of the House of Commons must at least once every calendar year make a declaration about his residence and domicile for tax purposes, which declaration must state the member's belief about his residence for income tax purposes and his belief about whether in the previous 12 months he has made a claim to be taxed on the remittance basis as a non-domiciled resident.

(2) A copy of every declaration made under subsection (1) shall be deposited with the Speaker.

(3) A member of the House of Commons who makes a declaration to the effect that he believes that he is not resident in the United Kingdom for income tax purposes or that in the previous 12 months he has made a claim to be taxed on the remittance basis as a non-domiciled resident shall be disqualified from membership of the House.

(4) A member who has failed to make a declaration complying with subsection (1) by the last day of December in any year shall be treated as suspended from the service of the House until he makes a declaration complying with subsection (1).

(5) A member of the House of Commons who dishonestly makes a false declaration under this section is guilty of an offence.

[Mr. Eric Illsley]

(6) Anyone found guilty of an offence under subsection (5)—

(a) shall be disqualified from membership of the House of Commons, and

(b) shall be liable to imprisonment of up to five years and to an unlimited fine.

(7) The offence created by subsection (5) shall be triable on indictment only.'.

Government amendments 132 and 134.

Mr. Wills: Welcome to the Chair, Mr. Illsley. The Government have made it clear on several occasions that they support the principle that parliamentarians should pay taxes in the United Kingdom. All parties now seem to agree, and the proposed changes from the official Opposition, the Liberal Democrats and some of my hon. Friends suggest different ways of addressing this very issue.

The Government's group of proposed changes would deem Members of this House and Members of the other place resident, ordinarily resident and domiciled in the UK for the purposes of income tax, capital gains tax and inheritance tax. As a result, they would be liable to pay those taxes on their worldwide income, capital gains and assets in exactly the same way as the vast majority of taxpayers. Moreover, they would be unable to access the remittance basis of taxation. In lay terms, they would not be able to avoid tax as a non-dom while a Member of this Parliament.

The vast majority of parliamentarians do pay full UK taxes, but there has been widespread popular concern about the exceptions to that rule. The net result of these proposed changes would mean that MPs and peers were liable to pay the same taxes as the vast majority of UK taxpayers, regardless of their actual common law status in the UK. The new clauses will come into force from Royal Assent, so they might apply to the next Parliament.

New clause 85 provides that all MPs will be deemed resident, ordinarily resident and domiciled from taking up their seat in this House upon taking the oath. Therefore, only those who are full UK taxpayers may sit and vote in this House. In the other place, all those appointed after the Bill receives Royal Assent would be aware that if they accepted a life peerage and a seat in the other place, they would be deemed resident, ordinarily resident and domiciled for tax purposes.

It is not possible to change a person's resident, ordinarily resident and domiciled tax status part way through a tax year, so in both instances MPs and peers would be deemed to be resident, ordinarily resident and domiciled for the whole of any tax year in which they were Members. That means that they would be deemed as such from the start of the tax year in which they took up their seat and to the end of the tax year in which they stood down.

We acknowledge that the situation is different for incumbent Members of the House of Lords, who will be unable to resign from the House until the provisions in part 3 of the Bill come into force. As such, new clause 86 provides for a transitional period of three months during which incumbent peers can give notice in writing to the Clerk of the Parliaments that they are not willing to be subject to the deeming provision, and from that point their membership of the other place would cease.

Peers who remain Members of the House at the end of the three-month transitional period would automatically be deemed resident, ordinarily resident and domiciled for tax purposes.

Mr. Dominic Grieve (Beaconsfield) (Con): The Minister is aware that we have signed up to the proposed changes, but it would be helpful to clarify the point about the ability of a Member of the other place—this does not really apply to the House of Commons—to get their affairs in order in sufficient time both to comply with the three-month rule and not to have an issue of retrospectivity over their tax. Will he explain how the marriage between the three months and the start of the tax year will work in practice?

Mr. Wills: In general, the way in which it will work is quite clear. There will be a three-month period after Royal Assent, and thereafter there will be a choice, which peers will make. I cannot pretend to be an expert on the tax affairs of every Member of the other place, but if the hon. and learned Gentleman would like to give me the details of any instances that he thinks might be caught up in that interaction, I should be very happy to address them and seek specialist advice on them.

Mr. Grieve: As matters stand, I understand that one does not even have to be a national of this country to be a Member of the House of Lords; one can be a Member as a Commonwealth citizen. On that basis, some Members of the House of Lords might even originate from Commonwealth countries and never have been UK domiciled. Although this is a hypothetical matter, I can think of a number of Government appointees who might fall into that category. I want to understand how they will put their affairs in order if they wish to opt to remain in the House of Lords: what procedural mechanism will be required for that?

Mr. Wills: The hon. and learned Gentleman has put his name to these new clauses, and as such I would have hoped that he understood the purpose of a deeming mechanism. He keeps referring to people putting their affairs in order, but it is not clear whether he means their financial affairs or their status as a non-dom, or in any other way. We have chosen this mechanism of deeming someone to be ordinarily resident and domiciled for a very particular reason. There may be a perfectly good, entirely benign reason, which has nothing to do with their tax affairs, why someone might wish not to change their status in the way that he mentions. That is perfectly fine, but what is not fine is that Members of this Parliament should not be placed in exactly the same position as the vast majority of British citizens for whom this place legislates. If people are prepared to pay tax in this country, like the vast majority of British citizens, that is fine, and they have three months to put themselves in order. If they do not want to do that, that is also fine, and they can cease being a Member of Parliament. I hope that the hon. and learned Gentleman fully understands the purpose of the deeming mechanism in these provisions.

Mr. Grieve: I think that I do: that is why I was hoping to encourage the Minister to clarify the position in the way that the Secretary of State clarified it when I wrote to him about this matter as soon as I saw the amendment.

The key issue is whether somebody could end up being subject to double taxation. I believe that the Minister may be in a position to give the Committee some reassurance on that matter. If it is not satisfactorily covered, it provides the one opportunity that somebody who ended up being double-taxed might have to bring legal proceedings against the Government on the grounds of discrimination. As I entirely support the Government amendments, I wish to avoid that happening; that is why I want to press the Minister on this point.

Mr. Wills: Good—I am glad that at last we have managed precisely to elucidate what the hon. and learned Gentleman is about. If he is concerned about double taxation agreements, he can simply nod to tell me that that, and nothing else, is the burden of his concern.

Mr. Grieve *indicated assent.*

Mr. Wills: Right. In that case, the position is clear; I think that the hon. and learned Gentleman is already aware of it. These new clauses do not affect the UK's double taxation agreements. For someone who is resident in the UK but also resident in another country or receives income from another country that is taxed in that country, the double taxation agreements exist to ensure that there is no double taxation. If no double taxation agreement is in place, Her Majesty's Revenue and Customs will give unilateral relief that allows relief for the foreign tax paid, and the individual will be liable only to tax for the difference, if UK tax rates are higher. That means that there will not be double taxation.

It is worth pointing out that these arrangements are available to all those resident in the United Kingdom: they are not special arrangements for Members of Parliament or for peers. That is important, because the fundamental point of principle is that Members of Parliament, whether in this House or in the other place, should be subject to the same taxation arrangements as the vast majority of British citizens. I hope that the hon. and learned Gentleman is reassured and that I have clarified his concerns about the matter.

As I said, new clause 86 provides for a transitional period of three months during which incumbent peers can give notice in writing to the Clerk of the Parliaments that they are not willing to be subject to the deeming provision, and from that point their membership of the other place will cease. Members who remain will automatically be deemed resident, ordinarily resident and domiciled after that period. Once part 3 of the Bill comes into force, a peer may resign from the other place at any time if they do not wish to continue to be deemed resident, ordinarily resident and domiciled for tax purposes. New clause 86 provides that when a peer stands down from the other place during the transitional phase, they will be enfranchised. It also provides that when clause 33 comes into force they may disclaim their peerage. This is consistent with the approach we have taken in part 3 whereby those who leave the House for whatever reason may also, if they wish, disclaim their peerage.

The new provision will not apply to the Lords Spiritual, as their membership of the House of Lords is inextricably linked to their professional position in the Church. They do not take a seat after accepting a peerage—it comes with their position in the Church of England.

David Howarth (Cambridge) (LD) *rose—*

Mr. Wills: It is also worth reminding the House that, as I am sure that the hon. Member for Cambridge (David Howarth) is already aware, the Lords Spiritual are paid by the Church of England and taxed at source anyway.

7.45 pm

David Howarth: I do not want to harp on about bishops to any great extent, as I did so last time we discussed the Bill. However, surely it is possible for a bishop to claim to be non-domiciled on the grounds of having foreign income and then take advantage of that position by being taxed on a remittance basis. I cannot understand why this provision should not apply to bishops.

Mr. Wills: Clearly, it is theoretically possible that there could be an enormously wealthy bishop who was escaping large amounts of taxation in this way, but I am not aware of any in that position. It is important to look at the facts to see why we have taken this view; obviously, all these matters are proportionate. Bishops in the House of Lords do not accept a peerage—they assume the position as a result of their profession as a bishop in the Church of England. If there were to be such a bishop who was non-domiciled and not ordinarily resident and who had these advantageous tax arrangements, then under these new clauses, they would, if they were not exempt, have to cease their profession, because the only way that they could cease to be a Member of the House of Lords would be to stop being a bishop.

I understand the hon. Gentleman's theoretical concern, but I remind him that the Labour party is committed, in the next term of a Labour Government, to moving to a wholly elected second Chamber; in that context, this issue does not arise. I ask him to reflect on my remarks about what might be considered to be a disproportionate response to a situation in the distant future that is very unlikely to materialise. However, I am happy to consider any further representations that he may wish to make on this particular point.

The new clauses will come into force when the Bill receives Royal Assent so that they may apply to the next Parliament. Amendment 132 makes the necessary amendments to part 9 of the Bill. Amendment 134 is a technical amendment to the long title of the Bill to reflect the addition of the new clauses.

These amendments to the Bill clearly demonstrate that we are able to respond to the legitimate concerns of the public and that we are willing and able in this instance to put our own house in order. I very much hope that all right hon. and hon. Members will be able to accept them.

Mr. Grieve: I have put my name to the Minister's two principal amendments—not to the consequential ones, but they are merely consequential. That is a firm expression of my view that they come as near as possible to meeting the necessity that we have identified, and the Government have identified, to do something about this matter. I am comforted by the fact that when the Secretary of State wrote to me in reply to an e-mail that I sent to him about the details of the new clauses, he pointed out that the intention behind them is exactly

[Mr. Grieve]

the same as that of new clause 53, albeit that it is fleshed out in greater detail, as I would expect. I was always conscious that in a matter of this sort a Government amendment would be required to resolve the legal minutiae, particularly regarding an issue that concerns revenue matters.

We entirely welcome new clauses 85 and 86. They are a sensible way forward to ensuring that the public are reassured that all Members of this House and the House of Lords are treated as if they were resident in the United Kingdom—like the vast majority of people in this country—for tax purposes.

The Minister also provided reassurance—at my prompting, I am glad to say, though I am sorry if I did not prompt him at quite the right points—to clear up the transitional arrangements, which excited some comment. One or two Members of the other place raised the matter with me to try to understand what it would involve. The Minister has now explained that more fully, and I am grateful to him.

To play devil's advocate, there is only one matter in the proposals about which I had some hesitation, although, on reflection, I can probably dispense with the hesitation. However, it is worth flagging up. There are currently provisions in the upper House for Members to take leave of absence. That enables them to go abroad to pursue their lives, professions, trades or businesses, but leaves them the option of returning and starting to sit in the House again when their leave of absence ends. I should be grateful if the Minister endorsed, in his winding-up speech, that the new provisions effectively mean that that system of leave of absence would no longer be possible if, during the course of it, the person went abroad and became domiciled there for business purposes, because he would be required to continue to be deemed UK-resident, even though he was not playing an active part in the life of the other place.

David Howarth: I am not too sure whether that point works, given that new clause 85 is a deeming clause. The person concerned would therefore be treated for tax purposes as resident and domiciled, regardless of the facts.

Mr. Grieve: I understand the hon. Gentleman's point. My understanding from raising the matter with the Government is that, although in future Members of the other place could seek leave of absence, as they have done in the past and still do, there would be no possibility, once the Bill was enacted, of their being non-domiciled in this country for tax purposes during that leave of absence. They would not be treated as not being domiciled in this country—they would continue to receive tax demands and be required to pay UK tax as if they were still here. Their only avenue out in those circumstances would be to resign from the House of Lords. That would mean that they could not—as they could hitherto—return to the service of the House on their return from some foreign appointment.

One could argue that that has a measure of not only novelty but—because it affects someone who is not playing an active role in the other place—unfairness. The other way of looking at it is that if one chooses to remain a Member of the other place, one must simply accept that, under the new rules, one will be deemed to be resident in this country for tax purposes until one decides to resign. As I can envisage some difficulties in adapting the provisions to take account of leave of absence, I assume that the Government have decided to ignore that. However, I ask the Minister for a rationale behind the Government's approach to the matter. He did not provide one in his opening speech this evening, but it would be helpful if could do so because I do not believe that anyone has complained in the past of mischief in the case of a peer who has leave of absence being away from the UK or not domiciled, but perhaps the Government think that somebody has done so.

We will support new clause 85. We have signed it and, if it is put to the vote, we will back the Government. We wish it a fair passage on to the statute book. I hope that, consequently, we can bring to an end a sorry episode of constant suspicion of individuals in the other place, some of which may prove totally unfounded in some cases—

Mr. Winnick: Or founded.

Mr. Grieve: It may be founded or unfounded. The hon. Gentleman interrupts from a sedentary position, and I simply say to him that some people may be surprised by who decides to go and who decides to stay.

However, it is essential that the uncertainty be brought to an end. The public are entitled to reassurance that those who legislate pay tax in this country, like any other citizen. On that, we wholly support the Government. Indeed, that is why we tabled new clause 53.

David Howarth: I, too, welcome the Government's movement on the subject and support the proposal. However, I fear that they have chosen the wrong method to bring about a result that hon. Members of all parties want. I ask the Government to think again about that method because it does not reach the heart of the problem.

As I understand it, the Government propose a deeming clause so that, regardless of whether a Member of the House of Lords or the House of Commons is, in fact,

"resident, ordinarily resident or domiciled"

in this country, they will be treated as

"resident, ordinarily resident or domiciled"

for tax purposes. The transitional provisions simply deal with the position of someone who might wish to resign as a consequence of being treated in that way.

I have a problem with the deeming provision. It is about domicile rather than residence. Residence is about the present and the immediate past, but domicile is different. Domicile is about long-term intentions—the place in which people are settled permanently in their own minds. It is ultimately about loyalty to one place or another. It is also true—this is relevant to the comments of the hon. and learned Member for Beaconsfield (Mr. Grieve)—that one can have more than one residence, but only one domicile.

The law of domicile goes back to an idea about personal law—law that applies to a person, who carries it around with them and is judged according to it, wherever they are. It goes back to a definition of domicile in Halsbury, which states:

"Every individual is regarded as belonging, at every stage in his life, to some community consisting of all persons domiciled in a particular country".

The phrase "belonging…to some community" is why I think that domicile is an important matter in itself for judging whether someone should be regarded as a proper person to sit in a country's legislature.

There is a contradiction in saying, "My long-term intention is to live in another country and to be part of another community rather than this country, in this community where I want to act as a legislator." There is a problem with that. There are different examples, which might have different consequences, but I think they all lead to the same problem.

Let us consider a person whose father had a domicile in a different country—a domicile of origin that is not Britain. Later, when the person reaches the age of 16, the law states that, at that point and any point afterwards, they are entitled to choose a different domicile. Let us say that that person then fails or declines to change their domicile from that of their father to domicile in this country. That is not a technicality about tax, but a reality about that person's view of themselves, and of which country and community they wish to belong.

8 pm

That example has something in common with the situation of Mr. Zac Goldsmith. His position, as far as I understand it, is that his father's domicile of origin was a different country, and that since the age of 16, he has had the opportunity to change that but has not done so. He now says that he is about to change his domicile, but he did not do so from when he was 16, which I believe was about 1981, to the present day. The question is not about paying tax, but about a person's commitment to this country.

Other people are in a similar position. It is perfectly reasonable for a migrant to this country to have a domicile of origin in a different country, but once they come here, assuming they are of age, they are entitled to choose a different domicile. If they do not do so, especially over a long period, one must ask whether they have the commitment to this country that is required of someone who wants to sit in our legislature. That appears to be the case with Lord Paul, who came to this country in, I believe, 1966. Throughout that period, he has had the legal right to change domicile to this country but has not done so.

The position of Lord Ashcroft, of course, is rather more obscure, perhaps deliberately so, but it appears to be a different sort of case—one in which someone starts with a domicile of origin in this country. One could be born in Sussex to a British father, and therefore, I suppose, have a domicile of origin in Britain, but then one might move to a different country—to Belize, for example, or to the Turks and Caicos islands—and develop an intention permanently to live there for the rest of one's life. Making a domicile of choice somewhere else would be an intention not to live in Britain. One could argue that of the Goldsmith-Paul and Ashcroft examples, the latter shows even less commitment to this country, because it is a case not of someone being landed with a domicile by their family or origin and then having to decide what to do about it, perhaps without realising what the law is, but of someone consciously going out to develop a domicile of choice in a different country.

Being generous, it is possible to argue that someone who has chosen a domicile in a different country might still have the requisite amount of commitment to this country if they refuse to take advantage of their domicile for tax purposes. This is the importance of the remittance basis of tax: a person living in this country might have a long-term intention to live in a different country, but they do not want to take advantage of that for tax purposes. That might show a sufficient commitment to this country. However, someone who has a long-term intention not to be domiciled here and takes advantage of that for their personal advantage is not the kind of person who has sufficient commitment to be a Member of our legislature.

Philip Davies (Shipley) (Con): The hon. Gentleman's argument falls down in relation to the European Union, because 80 per cent. of our laws now come from there rather than this place. The European Commission is made of people who have no commitment to, and do not pay tax in, this country, but who still pass laws that affect this country. Presumably, according to his line of argument and criteria, European commissioners should introduce laws in this country only if they are paying tax here.

David Howarth: I do not accept the premise of the hon. Gentleman's argument, because I do not know how we would measure a percentage of laws. Nor do I accept that laws passed in Europe are not passed by this country—that is also wrong, because this country passed an Act of Parliament allowing it to happen. The fundamental question is who should be in the legislature of this country when it passes something like the European Communities Act 1972. Such a person should have a degree of commitment to living in this country.

Mr. Grieve: Dare I say that the hon. Gentleman seems to be following a rather esoteric path? The reasons why we have such odd rules that allow all sorts of strange people to come here and become peers and Members of Parliament are, firstly, our imperial past, particularly in respect of Commonwealth citizens—we have never modernised the rules in that regard but have left them as they are—and secondly, our mediaeval past, which is about personal fealty. People could move around and pledge personal fealty, and fulfil it.

What fascinates me—dare I say it?—is the rather nationalist view the hon. Gentleman is expressing. I find it strangely out of keeping with the principles that I normally associate with the Liberal Democrats.

David Howarth: I do not think the Liberal Democrats have ever said it was a good idea for someone who had no connection with a local authority area to stand for election to that local authority. Perhaps I am expressing some Whig principles, but we have stood by those principles for a very long time.

There is a real problem. What we are talking about is not whether people pay tax in a certain way, but the underlying problem of their commitment. That is why I am not entirely happy with how the Government have chosen to deal with the problem—it does not require that commitment from individuals, but simply says that they are to be treated as if they have it whether or not they do. The measure tends to treat the symptoms, not the underlying disease.

Mike Penning (Hemel Hempstead) (Con): I am slightly curious, because I know the hon. Gentleman is a good European. Surely the concept of the European Union is

[Mike Penning]

free movement within the European Union. The hon. Gentleman's argument would prevent that movement ethic, because a person would be precluded from moving around by the fact that he must have a commitment back here. If a person is committed to the European Union, he should be able to go around the European Union.

David Howarth: I remind the hon. Gentleman that we are talking about people in the legislature—Members of Parliament and Members of the House of Lords. I rather doubt that a person living in Sicily would take into account the chances of becoming a Member of the House of Lords when deciding whether to move to Britain. We are talking about law-making, not general economic activity.

Bob Spink (Castle Point) (Ind): The hon. Gentleman will be delighted to hear that I want to move him away from Europe—I am sure you will be pleased about that, too, Mr. Illsley. He was talking about commitment, which is important. However, is it not more important to consider the authority of those who set taxes? We rule the country, as it were, and fix the laws, by the authority of the people. They do not want other people to pass laws on what taxes they will pay if those others themselves seek to avoid paying those taxes, like so many Conservatives.

David Howarth: I thank the hon. Gentleman for that point and simply add this: the fact that people were seeking to avoid tax is important, not whether they actually ended up paying tax on one basis or another.

The Liberal Democrats made a slightly different proposal that did not involve the deeming provision. It would simply have meant that if someone admitted to being a non-dom and took advantage of that for tax purposes, they should resign from the Lords—they would simply not be allowed to be a Member of the Lords. If they are not willing to say whether they are non-doms or not, they should be suspended from the Lords until they do so. If they make a declaration about their status but lie about it, that should be a crime and they should be disqualified from the Lords. That is a straightforward approach. It is not vindictive or retrospective, but it is firm in its central purpose, which is to say to people who do not have that real level of commitment to this country that they should not sit in our legislature.

One can quibble about the detail in all these proposals. I accept that the Government's proposals are better than the present situation, and better than the Conservatives' proposals, which lack any transparency. However, a different approach would come closer to the reality at the heart of the matter, and I ask the Government to think about whether what we are doing here is legislating about reality or appearance.

Mr. Gordon Prentice (Pendle) (Lab): I just want to say a few words to start with for my many supporters out there. I fear that I have been stitched up procedurally, and it may not be possible to vote on my new clause. I know that that will disappoint my many supporters, and it grieves me. I support Government new clauses 85 and 86, but so do the Conservatives and the Liberal Democrats. My new clause is in the same grouping, and the first vote will be on Government new clause 85. I shall not ask my friends to vote against my Government, so that will go through, and that will effectively kill all the other new clauses and amendments in that group. That is the stitch-up.

My new clause proposes an approach that the others do not, and it would have retrospective effect, but I shall come to that. My Government have come to this issue very late—two or three months before a general election—but we have known that this has been a festering problem for years. Even last year, when Lord Campbell-Savours tabled amendments to the Political Parties and Elections Act 2009—which capped at £7,500 the donations that non-doms could made to political parties—the Government had to be forced into accepting that position. My friend the Secretary of State for Justice told me that I had the numbers—not that the argument was right, but that I had the numbers. What a tragedy it is that my Government act on that basis.

Mr. Willis: My hon. Friend has fought a successful campaign and deserves credit for his diligence and persistence, but he should give the whole picture. I do not know what my right hon. Friend the Justice Secretary said, but we have always talked about the principle behind this issue, and my hon. Friend should at least give us credit for that.

Mr. Prentice: In the real world, when these changes take effect really matters. I had a private Member's Bill more than two years ago—the Disqualification from Parliament (Taxation Status) Bill—which ran into the usual procedural problems. However, the Government had an opportunity to take up that Bill and, with our huge majority and given the demands for action by Labour Back Benchers, to make it law. The cap on donations was too late and although the new clauses are welcome, they do not go far enough, nor are they retrospective.

8.15 pm

A few years ago, we woke up to the problem that there were legislators in this Parliament who were not paying UK taxes. That was an affront to those inside and outside this place. Indeed, I know for a fact that one legislator is a tax exile. Moreover, he is a tax exile on leave of absence. It is Lord Laidlaw, a former vice-chairman of the Conservative party, who was ennobled in 2004 after promising the House of Lords Appointments Commission that he would become a UK resident for tax purposes. He reneged on that promise.

HOLAC's annual report for 2006-07 said:

"During spring 2004, the Commission vetted a list of party-political nominees. One of the individuals on the list, Irvine Laidlaw (now Lord Laidlaw of Rothiemay) was not resident in the UK for tax purposes. Following an exchange of correspondence and a face-to-face meeting, the Commission accepted an assurance from Lord Laidlaw that he would become a resident in the UK for tax purposes from April 2004. On the basis of this assurance, the Commission found no objection to his appointment. The Commission would have taken a different view on Lord Laidlaw's nomination if it had known that he would not be resident in the UK for tax purposes from April 2004. In June 2004 he was appointed to the House of Lords."

Lord Laidlaw still does not pay UK taxes. He is a self-confessed tax exile living in Monaco. He has given £3 million to the Conservative party, and I have said

publicly many times that it should return that tainted money. To take money from someone who sits in the UK Parliament but does not pay UK taxes is a scandal.

Bob Spink: Does that breach of trust by Lord Laidlaw give the hon. Gentleman any confidence in the promise made by Tory candidate Zac Goldsmith along the same lines?

Mr. Prentice: I do not want to get sucked into that issue—[HON. MEMBERS: "Go on!"] No, I have read all the stuff in the newspapers about Zac Goldsmith not receiving a benefit from his non-dom status and how it was all a big mistake that would be put right, but I do not want to go there. I just want to draw attention to something that is on the record, because it is a scandal that a tax exile has been bankrolling the Conservatives' campaign and they will not give the money back.

Lord Stevenson, the then chair of HOLAC, wrote to Tony Blair, then Prime Minister, about the issue:

"The Commission has always required that nominees to the House of Lords must be resident in the UK for tax purposes. Following a review of our processes in 2005"—

following the Laidlaw scandal—

"we will not vet nominees who are not resident in the UK for tax purposes; nominees need to be UK resident and paying taxes before the Commission will consider their nomination."

That is the effect of the scandal of the former vice-chairman of the Conservative party who was given a peerage in 2004. HOLAC will no longer even accept nominations if the person is not a UK resident for tax purposes.

I turn now to Lord Ashcroft, whose case has some similarities to that of Lord Laidlaw. Lord Ashcroft gave an undertaking to the Political Honours Scrutiny Committee, the predecessor body of the House of Lords Appointments Commission, that he would become a UK resident for tax purposes in 2000. However, unlike with Lord Laidlaw, we have no record of his giving any assurance that he has done that. Now we are in an Alice in Wonderland situation, where for 10 years we have found it impossible to establish whether Lord Ashcroft has properly been elevated to the peerage, even though what I have described was, in a sense, a condition of his being elevated to the peerage.

Like many other colleagues, I have read all 36 pages of the report from the Information Commissioner, who agrees with me that more information should be put into the public domain about the nature of the undertaking that was given by Michael Ashcroft—now Lord Ashcroft—and the form that that undertaking took. Let me remind the Committee—this is relevant and I want to get it on the record—that Michael Ashcroft was appointed to the House of Lords in 2000. A No. 10 statement was issued in March 2000 saying:

"In order to meet the requirements for a Working Peer, Mr. Michael Ashcroft has given his clear and unequivocal assurance that he will take up permanent residence in the United Kingdom again before the end of the calendar year"—

that is, before the end of 2000. The statement continued:

"He would be introduced into the House of lords only after taking up that residence."

Then the statement said:

"These undertakings have been endorsed by the Leader of the Conservative Party"—

then the right hon. Member for Richmond, Yorks (Mr. Hague)—

"and conveyed to the Prime Minister and to the Political Honours Scrutiny Committee."

That is very clear indeed; and yet for 10 years Lord Ashcroft has maintained that the matter is private and that no one else has the right to inquire into it, even though that undertaking was a condition of his elevation to the peerage.

The Information Commissioner will be asking for—or rather, not asking for, but ordering—the release of that information within the next 35 days. Let me make a public request to Lord Ashcroft now: he should not wait 35 days; he should just speak out now and tell us what we all want to know. He just needs to say, "Yes, I am a UK resident for tax purposes, and I have been for each of the past 10 years," and then my new clause and this whole debate will be otiose and redundant. We will see what happens with Michael Ashcroft. I just want him to speak out and tell the truth, and I am sure that he will.

I know that colleagues are uncomfortable about retrospection, and I am too. However, we have on the amendment paper today an amendment or new clause—I cannot remember which—that allows for retrospection in MPs' salaries. Legg, like it or not, is retrospective: he has gone back five years, which is retrospection with a capital R and in bold. The other thing about my new clause and retrospection is that it does not apply to the wider population, but to a small subset of the population: us and our colleagues in the House of Lords. I accept that it is in the public interest generally to avoid retrospective legislation, but there are cases where it is justified.

I thought at this stage that I would be looking at the back of the head of my friend the Member for Blackburn (Mr. Straw), but he is not here. However, I will make this point anyway. The Criminal Evidence (Witness Anonymity) Act 2008 was introduced by him and it has retrospective provisions. The Election Publications Act 2001 was also introduced, I think, by my friend the Member for Blackburn, who was Home Secretary in 2001, so there are many—well, not many; I am getting carried away—there are a number of Acts containing retrospective provisions of which my friend the Member for Blackburn was the author. There is also the Banking Act 2009, which gives the Treasury powers to make orders with retrospective effect. I have tried to do a little homework for this debate, because to me it is about an important issue. The House of Lords Select Committee on the Constitution has said:

"there is no absolute prohibition on retrospective legislation in British Constitutional law or practice. There does, however, need to be a compelling reason in the public interest for a departure from the general principle that retrospective legislation is undesirable."

If ever there was an important issue that justified retrospective action, surely it is this one, where people have been in Parliament under what I would say were false pretences.

That is as much as I can do here; I now leave it to people outside. What a sad reflection it is on our procedures that I have to rely on the Information Commissioner, who is acting on the view that I put to him, which is that there is a public interest imperative in knowing how people who, unlike us, are not elected get into the legislature down there, in the other place. The Information Commission is doing a very good job.

Dr. Richard Taylor (Wyre Forest) (Ind): It is a great pleasure to follow the hon. Member for Pendle (Mr. Prentice). If he pushes his new clause 52 to a vote, I will certainly support it. Hon. Members must understand that I come at this issue from the point of view of independent election candidates, who fight on a very unlevel playing field. To my mind, new clause 52 would level the playing field for us independents and, perhaps, the smaller parties as well.

Let us look at the recent changes to the election expenses regulations. We now have a long campaign as well as a short campaign. In the long campaign we are allowed to spend £25,000, plus an amount for each constituent. What independent hopeful or smaller party has 25 grand to spend, unless they happen to be multi-millionaires? It is enough of a struggle to raise the £7,000 and a bit for the short campaign, so anything that placed more control on outside donors, with a retrospective focus on their tax status, would certainly make it rather more difficult for these super-rich people to donate to the main parties. I realise that that would not be popular with Members who belong to parties. However, in view of the desire to improve the reputation of the House and of our electoral system, I appeal to hon. Members to look at the use of rich supporters in the football league. It is well known that money buys the best footballers.

Kelvin Hopkins (Luton, North) (Lab): I thought that the 1832 Reform Act had got rid of the idea that votes could be bought. Perhaps they can no longer be bought directly, but elections can certainly be bought. Does the hon. Gentleman agree that certain seats will be won because of the money spent there?

Dr. Taylor: I will refer to the hon. Member as my hon. Friend, because he has just made the point that I was about to make. It appears that people can buy election results, but they cannot necessarily buy the best MPs. I am absolutely in favour of the hon. Member for Pendle's new clause, and I wish that he would press it to a vote.

8.30 pm

Mr. Wills: That was an interesting debate. Although it is sometimes hard to discern it, I believe that there is a broad measure of consensus on these matters. I know that my hon. Friend the Member for Pendle (Mr. Prentice) prefers his own new clause, but he did not actually raise too many concerns about the Government's proposals, apart from the issue of retrospectivity, which I will come to.

The hon. and learned Member for Beaconsfield (Mr. Grieve) made a point about leave of absence. He will be aware of the correspondence on that. I remind him that the policy intention behind the new clauses is to ensure that those who sit in the United Kingdom Parliament pay tax on the same basis as the majority of the population. I hope that he will accept that his concerns would come into play only when someone was working abroad on public service. They would not refer to someone taking a leave of absence to avoid, or even evade, paying tax in this country. We are talking about people who go away to work on public service and, for the most part, for only a short period of time.

I refer the hon. and learned Gentleman to what Lord Jay said to the House of Lords Appointments Commission, which I think everyone in this place and most people in the other place would accept. He rightly said that a position in the other place ought to be a job, not an honour. If someone stops doing that job, that is a matter for them. The option is clear: they can resign their position in the other place and not be covered by these provisions, or, if they wish to maintain a presence in the House of Lords, they should be covered by them. Apart from that, I am grateful for the hon. and learned Gentleman's support, and to him and his colleagues for putting their names to the new clause. This is the right way forward.

Bob Spink: I thank those on the Front Benches for their support, but has the Minister noticed that, although there is not a single Tory Member on the Back Benches at the moment, there is almost a full house of four independent Members here to support the premise that those who set taxes in this country should pay taxes in this country?

Mr. Wills: I certainly agree with the hon. Gentleman's point. I am sorry that the hon. and learned Member for Beaconsfield appears to be on his own in this matter.

Mr. Grieve: There is no need for the repetition of something that one member of my party need say only once. There is unanimity on this point.

Mr. Wills: I am grateful to the hon. and learned Gentleman.

The hon. Member for Cambridge (David Howarth) expounded at some length his view on the problems relating to deeming. He gave his argument full justification, and I will not repeat most of it. I am interested in his definition of "belonging", however. He seems to take exception to the symbolic perpetuation of the position of non-domiciled people, saying that it somehow undermines their commitment to this country. He acknowledged that there could be perfectly good reasons for retaining that position that would not have any practical impact on the commitment of a Member of the other place to this country. I am interested to find out why a symbolic affirmation of commitment, in relation to the status of domicile, is more important than the huge practical manifestation of commitment through paying tax in this country. That is the point.

David Howarth *rose—*

Mr. Wills: I will give way, although I suspect that we shall hear a repetition of the hon. Gentleman's previous arguments. I just want to refer him to the main point, in the hope that he will support our proposals. The main point is that it is simply unacceptable that any Member of this Parliament should not be in the position of the vast majority of the residents of this country and pay the specified taxes that we have identified.

David Howarth: That point is fine, but my point was that the way the Minister is doing things, will force the individuals concerned to pay tax, even though they do not want to be domiciled in this country.

Mr. Wills: I am not quite sure what the hon. Gentleman's problem is with being forced to pay tax. I think we could find very few people who actually want to pay tax. Most people accept it as a price of citizenship, and most of us do so willingly and happily. However, the idea is that we have laws in this country—*[Interruption.]* The hon. Gentleman can listen to the argument or not, as he wishes. I listened to him at great length, and he might at least do me the courtesy of trying to appreciate my argument.

Mr. David Drew (Stroud) (Lab/Co-op): Will my right hon. Friend give way?

Mr. Wills: I will in a moment, but first I wish the hon. Member for Cambridge to understand that the important point, which I hope he now accepts, is that the people who sit in this Parliament should pay tax, as the vast majority of UK residents do. I therefore hope that he will support the provisions.

Mr. Drew: Is not the answer to do what they do in the States? Every member of the legislature has to produce a full statement of their income and expenditure and their tax records. Those are all on the record, including President Obama's from when he was a Senator. Why are we so timid and so lacking in transparency in this country?

Mr. Wills: Tempted as I am to enter into a new discussion with my hon. Friend, which I am sure would be illuminating and revealing, if he will forgive me I will stick to the new clauses and amendments in question. That is a matter for another time, I am sure.

Kelvin Hopkins: My right hon. Friend said a while ago that no one wants to pay more tax. I have argued with the Liberal Democrats on the doorstep, saying that I do want to pay more tax, but for social equality and better public services, not so that millionaires can get away with not paying tax.

Mr. Wills: That makes the point that nobody wants to pay tax so that billionaires can avoid paying it. I hope that almost everybody would agree with that.

My hon. Friend the Member for Pendle made a number of points, and I am grateful for his contribution to the debate. He made an important point about retrospectivity, on which he has done a lot of work. As he says, there is no absolute prohibition on it, and it does happen from time to time. He mentioned one such situation. Nevertheless, it is a bad principle and axiomatically an affront to natural justice. There must be an overwhelmingly compelling case for it, and I am not sure that he made it. Our new provisions will deliver everything for which he has campaigned for a long time. He has been a diligent campaigner on the matter, and the Government have always accepted the principle behind the campaign. We have had problems finding a way to make the system effective so that it works in the way that most people want it to work. I am not sure that he has made a compelling case for breaching the fundamental principle against retrospectivity, because everything that he wants to achieve will be achieved in the Bill. I shall sit down shortly, so I suspect that there will be time for my hon. Friend to make the case for his amendment, and then we will have a further discussion on it. I hope that he will reflect further on my fundamental point about retrospectivity.

Mr. Heath: It is retrospectivity that I wish to ask the Minister a question about. I can see that there should be a strong presumption against it when it means that a new requirement is applied retrospectively to a person who could not or should not have been able to foresee it. In this case, however, are we not talking about solemn undertakings given to a body of Parliament in order for people to take their seat? Should they not have anticipated that, one day, somebody would ask them whether they had complied with the undertakings that they had given?

Mr. Wills: I am not going to comment on one or two individual cases, because I am not familiar with all the details of them. All that I would say to the hon. Gentleman is that we are making law here, and hard cases make bad law. I hope that he will forgive the aphorism. We have to make law to cover the generality of the people who sit here. In the particular cases that he is talking about, all kinds of mechanisms have been set up.

That reminds me of a point that I wanted to pick up with my hon. Friend the Member for Pendle. He will correct me if I am quoting him wrongly, but I believe he said that it was a sad reflection that we had to rely on the Information Commissioner in such matters. It is not a sad reflection, as that is precisely why the Government set up the Information Commissioner's office—to ensure that people have access to the information to which they are entitled. That is a fundamental principle of our programme of constitutional reforms. We are proud of the Freedom of Information Act 2000 and we are going to enhance it, not row back on it. It is not a sad reflection at all; it is a celebration of this Government's achievement with the Freedom of Information Act. I hope that my hon. Friend will recognise that when he comes to speak again shortly. He should be pleased with what the Information Commissioner's office has done; I would hope that he welcomes it.

Finally, I remind the hon. Member for Somerton and Frome (Mr. Heath) that there are other mechanisms to deal with alleged wrongdoing in particular cases. No doubt they will be pursued and I have no doubt that my hon. Friend the Member for Pendle, along with many others, will be pursuing the issue in the weeks and months to come.

I welcome what I took to be the welcome of the hon. Member for Wyre Forest (Dr. Taylor) for the Bill's provisions and indeed for the Political Parties and Elections Act 2009 . I am grateful for his support, and I hope that the Committee will accept the new clauses.

Question put and agreed to.

New clause 85 accordingly read a Second time, and added to the Bill.

New Clause 86

TAX STATUS OF MEMBERS OF THE HOUSE OF LORDS: TRANSITIONAL PROVISION

'(1) This section applies if, before the end of the period of 3 months beginning with the day on which this section comes into force, a member of the House of Lords ("M") gives written

notice to the Clerk of the Parliaments that M does not want section [Tax status of MPs and members of the House of Lords] to apply to M.

(2) M shall not be a member of the House of Lords at any time after the notice is given and accordingly—

(a) M shall not be entitled to receive writs of summons to attend the House, and

(b) any writ of summons previously issued to M has no further effect.

(3) Section 33 (disclaimer) applies to M as if M were a person to whom section 30 has applied.

(4) If M is a person excepted from section 1 of the House of Lords Act 1999 (c. 34) by virtue of section 2 of that Act—

(a) M shall no longer be excepted from section 1 of the 1999 Act, and

(b) if M counted towards the limit under section 2(2) of the 1999 Act, that limit is reduced by one.

(5) If M is not such a person, M ceases to be disqualified by virtue of M's peerage (or dignity) for—

(a) voting at elections to the House of Commons, or

(b) being, or being elected as, a member of that House.

(6) In relation to M, any reference in section 1(3) or (4)(b) of the Representation of the People Act 1985 (c. 50) to a register of parliamentary electors is to be read as including—

(a) any register of local government electors in Great Britain, and

(b) any register of local electors in Northern Ireland,

which was required to be published on any date before the notice is given.

(7) If, after the notice is given, a peerage under the Life Peerages Act 1958 (c. 21) is conferred on M, subsection (2) above does not stop M being entitled to receive writs of summons to attend the House of Lords by virtue of that peerage.

(8) If, after the notice is given, M becomes the person who is to hold the office of Earl Marshal or perform the office of Lord Great Chamberlain, subsection (2) above does not stop M being entitled to receive writs of summons to attend the House of Lords by virtue of the peerage that led to M becoming the person who is to hold or perform the office in question.

(9) A person to whom regulation 4 of the European Parliament (House of Lords Disqualification) Regulations 2008 (S.I. 2008/1647) applies is to be treated as a member of the House of Lords for the purposes of this section.—*(Mr. Wills.)*

Brought up, read the First and Second time, and added to the Bill.

8.42 pm

The Chairman left the Chair to report progress and ask leave to sit again (Standing Order No. 9(3)).

8.47 pm

The Deputy Speaker resumed the Chair.

Mr. David Drew (Stroud) (Lab/Co-op): On a point of order, Mr. Deputy Speaker.

Mr. Deputy Speaker (Sir Michael Lord): Order. I will deal with the hon. Gentleman's point of order in a moment.

Progress reported; Committee to sit again tomorrow.

Mr. Andrew Robathan (Blaby) (Con): On a point of order, Mr. Deputy Speaker. May I ask how *Hansard* will record the last five minutes?

Mr. Deputy Speaker: I imagine that *Hansard* will treat the last five minutes as an informal suspension.

Mr. Drew: On a point of order, Mr. Deputy Speaker. The debate that we have just had finished very early. Some of us felt strongly that new clause 52 should have been put to a vote, but we were told very clearly that when the Government new clauses were put to the Committee and accepted, that would be prevented. That would have made some sense if we had had no time in which to vote, but there was plenty of time. May we have a ruling from you, Mr. Deputy Speaker, on why the procedure was dealt with in that way?

Mr. Deputy Speaker: I am sorry to say that those events occurred in Committee, and I am not able to comment on what happened during the Committee stage.

Mr. David Heath (Somerton and Frome) (LD): Further to that point of order, Mr. Deputy Speaker. One of the problems that we experienced when the Committee stage finished early was that, because of the timetable motion, we could not continue to deal with amendments and new clauses which were quite properly tabled for discussion in Committee. Is there any possibility that the House could revisit the timetable motion, so that we can make proper progress on a constitutional Bill on the Floor of the House while we are here waiting to debate it?

Mr. Deputy Speaker: I entirely understand the point that the hon. Gentleman has made, which is firmly on the record, but I am sure he will appreciate that there is nothing that I can do to deal with it at this point.

John McDonnell (Hayes and Harlington) (Lab): Further to that point of order, Mr. Deputy Speaker. I realise that you cannot comment now on procedures carried out when the House was in Committee, but may I ask you to request that the Speaker examine the *Hansard* record tomorrow and make a statement tomorrow about the procedure that has been applied? As a result of that procedure, a significant new clause tabled by a Back Bencher could not be put to a vote, although I believe it was the will of the House that that should happen. It would be helpful to have a ruling from the Speaker on the matter, or at least a statement that the procedure might be reformed in the future.

Mr. Deputy Speaker: I can say to the hon. Gentleman that Mr. Speaker always takes a very close interest in all the business of the House, but I will personally make sure that all these matters are drawn to his attention tomorrow morning.

Bob Spink (Castle Point) (Ind): On a point of order, Mr. Deputy Speaker. As a result of the procedural mix-up tonight, we have lost about six minutes during which time we could, and should, have been debating item 10 on the Order Paper on section 5 of the European Communities (Amendment) Act 1993, when arguments could have been made that we should not pass such motions, or move forward with that Act at all, until we have made progress on the common agricultural policy and root-and-branch reform of our relationship with the European Union. Will Mr. Speaker be minded to extend tonight's business by six minutes after 10 o'clock, so we that can make up that valuable time?

Mr. Deputy Speaker: The hon. Gentleman knows that I cannot deal with that matter now, and in any case we have not yet reached the business to which he refers.

Mr. Patrick McLoughlin (West Derbyshire) (Con): Further to that point of order, Mr. Deputy Speaker. Will you confirm that if the hon. Gentleman were to look at the Order Paper, he would see that we have not yet reached that point on our agenda—and when we do so, who knows what might happen?

Mr. Deputy Speaker: I entirely agree. That is precisely the point I have just made to the hon. Member for Castle Point (Bob Spink).

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ELECTRONIC COMMUNICATIONS

That the draft Communications Act 2003 (Disclosure of Information) Order 2010, which was laid before this House on 8 December, be approved. *—(David Wright.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

SOCIAL SECURITY

That the draft Jobseeker's Allowance (Skills Training Conditionality Pilot) Regulations 2010, which were laid before this House on 15 December, be approved. *—(David Wright.)*

Question agreed to.

EAST OF ENGLAND REGIONAL GRAND COMMITTEE

Motion made, and Question put forthwith (Standing Order No. 117A(3)),

That the East of England Regional Grand Committee shall meet at Westminster on Tuesday 23 February between 9.00 am and 1.00 pm to take questions under Standing Order No. 117B (Regional Grand Committees (questions for oral answer)) and to hold a general debate on priorities for a future regional strategy. *—(David Wright.)*

The House divided: Ayes 284, Noes 83.

Division No. 67] **[8.52 pm**

AYES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, Mr. Jeremy
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Butler, Ms Dawn
Cabom, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Tom
Clelland, Mr. David
Coaker, Mr. Vernon
Coffey, Ann
Cook, Frank
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Featherstone, Lynne
Field, rh Mr. Frank
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goldsworthy, Julia
Goodman, Helen
Griffiths, Nigel
Grogan, Mr. John
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Ann
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Lawe, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain

McDonnell, John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mulholland, Greg
Mullin, Mr. Chris
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Purchase, Mr. Ken
Purnell, rh James
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Rennie, Willie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruddock, Joan
Russell, Bob
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, Matthew
Taylor, Dr. Richard
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Truswell, Mr. Paul
Ussher, Kitty
Waltho, Lynda
Webb, Steve
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Stephen
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Mr. George Mudie and Mr. Dave Watts

NOES

Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Bellingham, Mr. Henry
Benyon, Mr. Richard
Binley, Mr. Brian
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Clappison, Mr. James
Crabb, Mr. Stephen
Davies, David T.C. *(Monmouth)*
Davies, Philip
Dorries, Nadine
Duddridge, James
Fabricant, Michael
Field, Mr. Mark
Fraser, Christopher
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Grieve, Mr. Dominic
Hands, Mr. Greg
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hogg, rh Mr. Douglas
Horam, Mr. John
Howarth, Mr. Gerald
Howell, John
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jones, Mr. David
Knight, rh Mr. Greg
Lait, Mrs. Jacqui
Leigh, Mr. Edward
Liddell-Grainger, Mr. Ian
Loughton, Tim
Main, Anne
Maples, Mr. John
Mates, rh Mr. Michael
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Murrison, Dr. Andrew
Ottaway, Richard
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Prisk, Mr. Mark
Randall, Mr. John
Robathan, Mr. Andrew
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Simpson, Mr. Keith
Spicer, Sir Michael
Stanley, rh Sir John
Steen, Mr. Anthony
Streeter, Mr. Gary
Stuart, Mr. Graham
Taylor, Mr. Ian
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vara, Mr. Shailesh
Walter, Mr. Robert
Waterson, Mr. Nigel
Whittingdale, Mr. John
Wiggin, Bill
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim

Tellers for the Noes:
Mr. Philip Dunne and Jeremy Wright

Question accordingly agreed to.

Mr. Deputy Speaker (Sir Michael Lord): We come to the motion on section 5 of the European Communities (Amendment) Act 1993. *[Interruption.]* Motion not moved.

Philip Davies (Shipley) (Con): On a point of order, Mr. Deputy Speaker. We have here a ludicrous situation in which the Government are trying to sneak things through at the end of the day's business. They are quite happy to move motions when there is no time for debate, but when there is roughly an hour to debate an issue, they do not want to move the motion. Can anything be done to make sure that motions on the Order Paper are moved when there is time to debate them in the House?

Mr. Deputy Speaker: I say to the hon. Gentleman that we have done everything within the normal rules of the House; the Government's actions are a matter for the Government.

PETITION

Swimming Pool (Canvey Island)

9.6 pm

Bob Spink (Castle Point) (Ind): The people of Canvey love our island and treasure its heritage. They are indebted to campaigners Lea and Liz Swann and to Councillor Dave Blackwell for trying to reverse a decision to destroy an important part of Canvey Island's seafront—

the tidal pool. I am indebted to the 127 people who attended the public meeting last week and voted unanimously to retain the pool to keep our children on Canvey Island safer. They are calling on the borough councillors to rescind their decision.

The petition states:

The Petition of Liz and Lea Swann, residents of Canvey Island and others,

Declares that they support and want to protect and enhance the Canvey Sea Front area and therefore object to the proposed removal of the swimming pool at the far end of Concord Beach; notes that the swimming pool is enjoyed by many local residents, particularly children, forms an important and historic part of the iconic Canvey Seafront, is important to local businesses that rely on the visitors for income during the summer months, and would cost very little to maintain; further declares that retaining the pool is by far the safer option and that this proposal has been made without any consultation of residents or businesses at all, that the council has not published any costs or proposals for consideration, has not consulted the Environment Agency on the environmental impact to the beach and surrounding properties, did not include Canvey Island's Town Councillors in discussions; that for these and many other valid reasons this proposal should be withdrawn by the mainland Conservative Borough Councillors, and that given the importance to the wider community of protecting this local beach attraction, the Council must properly and widely consult the public before making any decision.

The Petitioners therefore request that the House of Commons press the Government to urge Castle Point Borough Council, and the Conservative Council Group, to reject this proposal and instead spend public funds on the swimming pool's upkeep.

And your Petitioners, as in duty bound, will ever pray.

[P000725]

Children's Homes (Planning Applications)

Motion made, and Question proposed, That this House do now adjourn.—*(David Wright.)*

9.8 pm

Ann Coffey (Stockport) (Lab): Children's homes should provide a safe, positive and caring environment for young people who are unable to live at home. It is important that they provide the highest standards of care. Over the years, care and inspection of children's homes has been subject to changes. Indeed, before the Care Standards Act 2000, homes with fewer than four children did not have to be registered at all. Quite rightly, inspection is becoming more rigorous, and I welcome the new draft minimum care standards, issued by the Department for Children, Schools and Families, on which Ofsted will base future inspections. That is happening in response to the changing nature of children's homes over the years.

When I first worked as a social worker in Stockport in the 1980s, small family-type care homes provided a family environment for quite young children. The carers were often a couple resident in the home. Now, of course, younger children are placed in foster families and the young people placed in children's homes are older. They present very difficult and challenging behaviour and often come into care with multiple problems and complex needs.

In Stockport, a high number of children and young people are placed in our children's homes from other local authority areas. Some 53 per cent. of all looked-after children are from outside the borough, compared with the national average of 35 per cent. Our percentage is one of the highest in the country. Many of the children who live in the homes about which residents have complained to me are from outside Stockport and are young offenders. Owners sometimes charge up to £4,500 a week per child and some advertise aggressively in other boroughs for "priority and prolific offenders".

In Stockport, we have more than 30 private registered children's homes—the third highest number in the country—and we can bear testament to the changing nature of those homes, given the problems that we have encountered with antisocial behaviour. It is important to improve outcomes for vulnerable, often difficult young people in care, but it is also important to ensure that proper consideration is given to the location of the home.

Standard 23 in the draft minimum standards, entitled "The design and location of the home", says:

"Location is carefully considered at the planning stage for a new home...The home is situated in a location which takes into account the safety and protection of children living there and the community."

That presumes the existence of some planning process, as well as a registration process.

Tonight I want to focus on the planning legislation that applies to children's homes. I decided to take up the issue again after a recent influx of letters and e-mails from distressed Stockport constituents who have suffered verbal abuse and other forms of antisocial behaviour from the residents of nearby children's homes. My constituents made the point that they were never consulted about the change of use.

[Ann Coffey]

One of my constituents lives with his mother next door to a children's home. He told me about their "monumentally distressing situation". He and his mother have been subjected to much abuse and damage to their home. He described how the home for young people came into existence without local people knowing anything about it or being given any say in the change of use from a private dwelling house. It turns out that the house next door was classified under the Town and Country Planning (Use Classes) Order 1987 to be in use class C3—a dwelling house, which covers use by a single person or by people living together as a family that has not more than six residents living together as a single household and can include a home where care is provided to residents.

My constituent wrote to Stockport council and was told that no planning breaches had occurred, as a domestic property could be converted, under use C3, into a facility for care for up to six residents living as a single household, without anyone seeking planning permission or consulting local residents. However, a planning application would have been required if residential accommodation and care to people in need of care were being provided, other than use within class C3, as that would fall within class C2. Apart from being a somewhat circular definition, that is very confusing. When is a children's home a residential provision where care is being provided—that is, a C2 use—and when is it a single household where care is provided and therefore a C3 use? It seems to depend on the number of persons, according to the local planning authority.

The then Office of the Deputy Prime Minister issued a circular in March 2005, adding some guidance on use classes C2 and C3. I quote:

"The amended Order does not make any changes to class C3: Dwelling houses. This class groups together use as a dwelling house, whether or not the sole or main residence, by single person, any number of persons living together as a family, or by no more than 6 persons living together as a single household. The key element in the use of a dwelling house for non-family purposes is the concept of a single household. The single household concept will provide more certainty over the planning position of small group homes which play a major role in the Government's community care policy which is aimed at enabling disabled and mentally disordered people to live as normal lives as possible in touch with the community.

In the case of small residential care homes or nursing homes, staff and residents will probably not live as a single household and the use will therefore fall into the residential institutions"

that is, C2—

"regardless of the size of the home. Local planning authorities should include any resident care staff in their calculation of the number of people accommodated."

Clearly, the guidance all hangs on the definition of a single household, not care staffing, as care can be provided both in a dwelling house and in a residential home. What is this entity, a single household? In its briefing note to me, the House of Commons Library said that the definition of

"living together as a single household"

is one for case law and not always straightforward. The researcher quoted the Sweet and Maxwell "Encyclopedia of Planning Law and Practice," which states:

"The control limit of six persons defines the scope of the right, but does not imply that any excess in numbers must constitute a breach of planning control. Where, for example, premises have been put to this use and six people have lived together as a single household, there will subsequently be a material change in use only where the total number of residents increases to the point where it can be said that the use has intensified so as to become of a different character, or the residents no longer live as a single household, (which may then fall to be regarded as a hostel use, or house let in lodgings)."

So there we have it—as clear as mud! This does not shed any light on what defines a single household. However, it is this definition and not numbers or care which is key to determining C2 or C3 use.

The lack of clarity has been a particular issue with houses in multiple occupation where high concentrations have increased antisocial behaviour and had adverse environmental impact on the wider community. It has resulted in an increase in houses in multiple occupation without any planning process because they have been deemed to fall into C3 use—a dwelling house with people living together as a single household. In response to the problems, the Department for Communities and Local Government issued a consultation on HMOs and possible planning responses. The responses were published last week, on 27 January, and the most popular planning request was that the use classes order be amended to provide a specific definition of an HMO which removed the ambiguity of the term

"living together as a single household".

Following the recent complaints about a children's home in my constituency, I wrote to the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Dudley, North (Mr. Austin), and received a reply on 8 October last year which made it plain that the position was not as clear-cut as Stockport council had initially indicated, and that a range of factors on a case-by-case basis should be taken into account in determining whether a change of use from dwelling house use to residential institution had taken place.

I am pleased to say that Stockport has now issued new planning guidance, which states:

"All proposals for new buildings for children's homes will require planning permission. Frequently, however, the proposal is to use an existing residential dwelling house for the purpose. In such instances it will be necessary to determine whether a change of use of the building, requiring planning permission, is involved. This requires a judgement, having regard to the provisions of the latest government advice and guidance and any relevant case law. The Use Classes Circular updated in March 2005, clarifies that proposals for small care homes should be assessed/determined as a class C2, 'Residential Institutions', use class, distinct from the Class C3 'Dwelling Houses' class. Accordingly, in most cases, planning permission will be required for the change of use".

This will be welcomed by all my constituents. I congratulate Stockport council on issuing this new planning advice.

However, the problem is not just a Stockport problem. It is a national issue. Last week I tabled a parliamentary question asking how many planning applications for children's homes under C2 had been submitted, granted and refused in each local authority in England and Wales in the past five years, but I was told that this information was not held centrally. This makes it very difficult to establish the extent of the problem.

It is right that, in the interests of the welfare of the young people placed as well as the wider community, the suitability of the location be considered. That can be done only through a planning application and the process of consideration of that application. My right

hon. Friend the Secretary of State for Children, Schools and Families said last week that the Government response on the draft national minimum standard is due in June. If standard 23 is accepted, the presumption that all applications for children's homes will have been through a thorough planning application will have implications for the current interpretation that children's homes are C3 use and no planning approval is required to open one.

I agree that the use classes order must strike a balance between the categories that are too broad, which leave local planning authorities with too little control of changes, and the categories that are too narrow, which increase the number of planning applications. I understand that tension, but, if planning authorities try to deal with the difficulties of community opposition to a children's home by simply not introducing a planning process, local people's hostility to children's homes will continue.

Although avoiding a planning process may be less difficult in the short term, it will not be easier in the long term if children's homes turn out to be in unsuitable locations, because the residents will blame the local council for failing to consider their interests. The best way of getting community support for children's homes is to ensure that there is a proper planning process, and that local residents' comments are taken into account and reflected in planning conditions. The wider community would then feel that it had some influence and control over the process, because it clearly does not have any at the moment. A proper planning process would also mean that any failure to comply with planning conditions could be reported to Ofsted, which would take that into account in its inspection of the home. That would help raise standards.

There should be a proper planning process for children's homes. A Greater Manchester police analysis showed that 81 per cent. of children missing from home in Stockport are missing from children's homes, compared with a conurbation average of 65 per cent. of children running away having gone missing from children's homes.

Helen Southworth (Warrington, South) (Lab): I congratulate my hon. Friend on securing this important debate and recognise her contribution to the Government's support for children who either go missing or run away from care or from home. Would planning approval for a change of use provide police forces with the information that they need on the number and location of children's homes in their area? A senior police officer told me last week that he had not been able to obtain from the registration authority the information on the location and number of children's homes in his police force area, and that he had had to resort to checking the Yellow Pages and other advertising media in order to identify their location. Would my hon. Friend's proposals have any wider benefits than those that she has already identified by virtue of their helping those authorities that needed to work together?

Ann Coffey: I thank my hon. Friend for that intervention. She is absolutely right: it is very important that the inspection of children's homes take into account the widest possible range of comments from the local agencies that are involved with the children from the home in question. A proper planning process would enable the police and other local agencies to comment on what was happening in that neighbourhood and provide better details to inform the planning decision on whether the location was appropriate for a home. Furthermore, the owners of a home would therefore try their very best to ensure that a proper management system was in place, because without one they would break their planning conditions, and that in turn would affect their registration. That process would be important in raising standards.

Our local authority has a larger number of children missing from home, compared with the conurbation average of 65 per cent. of children running away having gone missing from children's homes. That reflects the complex difficulties of those young people, the high level of private provision in Stockport and the difficulty that those private homes have in managing such children. It also gives some indication of the pressure on local agencies. I welcome the measures in the Children and Young Persons Act 2008 to restrict out-of-borough placements. That should help, but it will not resolve planning process issues.

Young people in the care system face huge challenges and often come from very dysfunctional families. Children's homes must have proper management systems and provide the high-quality care that is needed to improve the life chances of those young people. The registration process is integral to the establishment of those high standards, and so is the planning process. The Government have consulted on planning responses to HMOs and recognised the problems caused by high concentrations of those homes. However, I urge my hon. Friend the Minister to undertake a similar consultation on the possible planning responses to children's homes, and to remove the current ambiguities of the single household—a singularly unhelpful definition that has had its time. That would also ensure that people, wherever they live, have the protection of planning laws that respond to the challenges of providing high-quality children's homes in appropriate locations. Times have changed since 1987, and the planning laws need to be adapted. I urge my hon. Friend to bring about the necessary changes.

9.24 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): I thank my hon. Friend the Member for Stockport (Ann Coffey) for securing this important debate on planning and children's homes. She has spoken eloquently of the issues that arise in providing accommodation for looked-after children. It is clear that this matter is of particular concern in Stockport because of the relatively high concentration of such children in that area.

I am very sympathetic to the problems that my hon. Friend has described. While we must address the needs of vulnerable children, we must also assess the needs of the community in which they live. The aim of the Government's policy on looked-after children is to ensure that all children's homes are properly run and situated in locations that take into account the safety and protection not only of the children living there but of the local community. As she said, all children's homes are subject to national minimum standards that are underpinned by regulations governing the running of the home. I understand that she has been active in commenting on the draft national minimum standards that were the subject of recent consultation, and she is to be commended for that.

[Mr. Ian Austin]

The standards call for those running children's homes to prepare and implement a policy that sets out measures of control, restraint and discipline and to show how the home will promote appropriate behaviour. They also require a home and its registered manager to maintain appropriate links with the local community to ensure good relations with neighbours. The regulatory system thereby aims to tackle problems of the sort that my hon. Friend has described by ensuring that children's homes are run in a way that promotes good behaviour and addresses antisocial behaviour when it occurs and maintains links with the host community to foster good relations.

Children's homes must be registered with Ofsted, which is responsible for registering and inspecting care homes. In considering an application for registration, Ofsted will look carefully at the fitness of the applicant and the skills and experience of the proposed manager. Where homes do not meet the required standards, Ofsted has a range of enforcement powers at its disposal. Action needs to be taken against poor homes, in the interests not only of local communities that may be affected but of the children living there. Ofsted has a key role to play in driving up standards through the inspection of children's homes.

Through the Children and Young Persons Act 2008, Ofsted has been given further powers to take action against homes that do not meet standards or regulations. These include new powers such as restricting new admissions to a home. Further provisions will ensure that all local authorities are notified of enforcement action being taken by a home in cases where the chief inspector has brought proceedings or where a notice to cancel registration has been issued. These measures should lead to greater transparency and will improve the information available to local authorities in making decisions about commissioning placements. I would expect any local authority to investigate instances where a children's home has been badly run or is the subject of complaints from the local community.

My hon. Friend has raised the planning aspects of providing accommodation for looked-after children, particularly in relation to concerns about the operation of the Town and Country Planning (Use Classes) Order 1987. The planning system is primarily concerned with the use of land and the effect on amenity of any alteration or changes to the use of land. It may be helpful if I explain briefly how the order works. It operates by grouping together into classes land uses that have similar amenity impacts. The order allows changes between certain land uses where the amenity impacts of such would be minimal, without the need for planning permission. In most cases, the permissible change of use is within the same class, but there are cases where movement between classes is permitted. For example, premises currently used as a restaurant—class A3—could be converted to a shop, which would be class A1, without the need to seek planning permission, because the impact of a shop on the surrounding area would be likely to be the same or less than that of a restaurant.

The order is intended to be a deregulatory mechanism that allows changes of use with minimal impact in terms of land use and amenity. This removes the need for the time and expense of making a planning application and allows local authorities to concentrate their planning resources where they are most needed. However, it is for local planning authorities to decide on a case-by-case basis which class a particular use falls into. When a change of use occurs, the local planning authority must consider whether a material change has occurred that would require planning permission. The planning guidance from Stockport council, which my hon. Friend quoted, recognises that. It is an important principle that material change of use is the test for whether planning permission is required.

Under the use classes order, I would expect most children's homes to fall into the same use class as other residential institutions, such as nursing homes or training centres—class C2. It applies when there are more than six occupants, or when the occupants are not considered to be living together as a single household.

However, as my hon. Friend said, it is also possible that some smaller children's homes could fall into the same class as dwelling houses—class C3. That use class provides for dwelling houses used by a single person or a family, but also for small groups of people living together as a single household, including cases where there is an element of care. As she has been advised, there is discretion in the way in which local planning authorities apply that. It is important to retain some discretion to avoid unintended consequences, given the variety of living arrangements that broadly have the same planning impact.

Depending on the particular circumstances, there may be occasions when a house previously occupied by a family could be changed to a children's home, which would take the premises into class C2 and so require planning permission. There could also be instances of such a change resulting in a children's care home that would still be classified as C3 in planning terms. For example, it would be difficult to argue that significantly different planning impacts arise from a family of six living in a house on the one hand, and four or five children with a carer living there on the other.

My hon. Friend has drawn attention to the need to consider carefully the location of a home for looked-after children, in relation to the needs of children and young people and to those of the host community. I absolutely agree that such considerations should be carefully applied, and they can take place in other ways, in addition to the planning system.

For example, the draft standards that my colleagues in the Department for Children, Schools and Families are considering include draft standard 23, which says among other things that

"location is carefully considered at the planning stage for a new home",

and that

"the home is situated in a location which takes into account the safety and protection of children living there and the community."

The importance of that is already stated in the "Children Act 1989 Volume 4: Statutory Guidance on Residential Care". Those provisions are not about blanket planning requirements, but are intended to make providers of children's homes consider the location when setting up a children's home.

For example, particular thought should be given to the suitability of the location for providing an environment helpful to each child's development, by giving access to

schools, shops and amenities. The standard also lays down that thought should be given at the planning stage to any aspects of design and location which might assist in maintaining a responsible, positive relationship with the neighbourhood.

As my hon. Friend pointed out, the nature of children's homes has changed over the years and I am sure that it will continue to change. It is therefore right that local authorities have the discretion to determine on a case-by-case basis whether a material change of use has occurred basis so that we can achieve a balance between giving local authorities strong powers to shape their local areas and not being unduly burdensome on users of the planning system.

Helen Southworth: Will my hon. Friend give particular consideration to the point that I made earlier? It is so important that local authorities and police forces work together to protect vulnerable children. An aspect of that, considering the police of the 24/7 authority, to which missing children are reported, is that they know where children's homes are located in their area and can build up a relationship with them. Will the Minister consider how he can use the levers in his Department to help with that?

Mr. Austin: I thank my hon. Friend for raising that important point, which she mentioned earlier. I hope that she accepts that I am not an expert in the way in which the police and local authorities react to those matters. I am surprised, because I would have thought that, if the standards require proper management, it is reasonable to expect what my hon. Friend suggests to happen automatically. I will ask ministerial colleagues who are responsible for those matters to contact my hon. Friend and perhaps meet her to discuss them.

Helen Southworth: I should also like to mention comments that have been made in the past few weeks on national indicator 71, in which my hon. Friend's Department has a key interest, on support for runaway and missing children. It has been in place since April last year, and the evidence I am getting from local authorities, police forces and charities working with vulnerable children is that it is driving change very effectively. Will he consider how he can support that?

Mr. Austin: My hon. Friend is an acknowledged expert on such issues and probably knows more than any other hon. Member about how those things work. I would be happy to look at the details and perhaps to arrange for her to meet officials in my Department so that she can provide evidence as to how those measures are working on the ground.

Ann Coffey: Will the Minister and some of his officials meet me to explore further how the planning responses to the HMO document might impinge on the planning applications for children's homes, particularly as they are clear that the single household definition is unhelpful? As he knows, the definition also applies to whether a children's home application is determined as C2 or C3 use. It would be helpful if I had the opportunity to discuss the matter further with him.

Mr. Austin: I would be very happy to meet my hon. Friend to discuss this matter and also to ensure that she can have proper discussions with officials.

Question put and agreed to.

9.36 pm

House adjourned.

House of Commons

Tuesday 2 February 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TREASURY

The Chancellor of the Exchequer was asked—

Financial Sector

1. **Linda Gilroy** (Plymouth, Sutton) (Lab/Co-op): What steps he is taking to protect the economy from the effects of excessive risk-taking in the financial sector. [314428]

The Chancellor of the Exchequer (Mr. Alistair Darling): Reform is necessary at domestic, European and international level to ensure that we have a regulatory system that can effectively monitor and, where necessary, curb risk-taking in the financial services sector.

Linda Gilroy: I thank my right hon. Friend for that reply. On the use of regulatory tools, has he noticed that commentators increasingly suggest that a more equal society is a more effective and efficient society? Will he use those tools to bear down on the very high incomes that we still see particularly in the banking sector?

Mr. Darling: I agree with my hon. Friend that it is important that we have a fair and just society; that we ensure that, when people are rewarded, they are rewarded for their effort; and, in the banking industry in particular, that the relationship between what somebody does and what they get should be better aligned. That is why we received the agreement of the G20 countries and imposed restrictions on what the banks in which we have shareholdings can do. I hope that over the next short period, banks in this country and others remember that they live in the same world as the rest of us. They ought to show restraint at a time when everybody else is having to pull in their belts.

Sir Peter Tapsell (Louth and Horncastle) (Con): As the measures already announced by the British and European Governments are widely seen as being inadequate "to stop the second shoe falling", will the Chancellor do his best to persuade the Financial Stability Board and the European Central Bank to embrace as many as possible of the proposals in the Volcker plan, so that we can have genuinely international bank reform?

Mr. Darling: I agree with the hon. Gentleman that global agreement on the reforms that we need is highly desirable. The proposals that the United States made 10 days ago, the requirements for increased capital, where necessary, to ensure that the amount of capital held is commensurate with the risk undertaken, and the measures to take forward the work on resolution plans—living wills, if you like—are all very important. They represent a common objective. For the reasons that I explained earlier, I do not take the same view of the proposal that might come from the United States on breaking up large banks. The real problem is the interconnectivity of institutions, and we need reforms on that. However, I certainly agree with the hon. Gentleman that, importantly, regulation in Europe and in the United States should move forward together, and that is one of the things that I shall raise at the G7 Ministers' meeting in Canada this weekend.

Ms Dari Taylor (Stockton, South) (Lab): Is it not the case that banks that mainly handle hedge funds are seen by many as casino banks? Is it not time that we looked at that world of hedge funds and separated their activity in banking terms from that of banks that handle everyday mortgage and saving—that is domestic—needs?

Mr. Darling: I do not think that the division that my hon. Friend provides is quite as simple as that. Hedge funds can perform a useful function, but it is important to ensure that, when banks engage in risky activity, they have sufficient capital behind them if things go wrong. That is why we are very happy to work with some of the proposals from the United States and, indeed, other parts of the world. Most people recognise that the situation is quite complex, and I see that the Opposition have now shifted their position from warmly embracing the break-up of banks to an assurance, which the shadow Chancellor gave to bankers at the weekend in Davos, that they would not do any such thing.

Dr. Vincent Cable (Twickenham) (LD): The Chancellor and I have agreed to differ on the Government's rejection of the Governor of the Bank of England's advice on breaking up those banks, but now that the President of the United States has made the case that proprietary and, indeed, wider, own-account trading by banks is dangerous and must be separated from traditional banking, do the Government not wish to rethink their position at all?

Mr. Darling: Interestingly, if one looks at Paul Volcker's proposals, which he made as part of his Group of Thirty proposals a year ago, one finds that he recognised that proprietary trading could be risky and recommended that greater capital be held against such risky activities. We have expressed that view before, and the issue clearly needs to be looked at. However, we must also bear in mind that most British banks do not engage in that much proprietary trading, and it certainly was not the root cause of the recent problems.

I say to the hon. Gentleman, as I have said to him before, that traditionally the regulatory system was modelled on the basis that if one firm was all right, the entire system was all right. Over the past 18 months or so, however, we have seen that we have to look behind that, because risks were laid off to institutions, which laid them off to further institutions. In some cases, we found that the first firm that had attempted to lay off its

risk was buying it back through another part of the empire, without having any idea of what it was doing. The interconnections of financial institutions are the problem, and that is why the hon. Gentleman's proposals do not fit the bill. In fact, he is rather like a general fighting the last war rather than taking account of where we are likely to be in the future.

Dr. Cable: The Chancellor says that this is not the basic cause of the problems within the UK system. Is it not true, however, that there were enormous losses within the Royal Bank of Scotland, for example, as well as within the mortgage lenders? Is not the real reason why the Government—and, for that matter, the Conservatives—are not willing to go down this route the fact that they have been persuaded by the City, for its own self-interested reasons, to adopt this position of a level playing field? Whereas the Government took the world lead in the bank rescue operation, they are now lagging behind the rest of the world in dealing with this very dangerous problem.

Mr. Darling: No, I do not accept that. If the hon. Gentleman reflects on what has happened since 2007, he will see that the problems were partly to do with liquidity. For example, Northern Rock was totally dependent on wholesale funding, and when that dried up, the bank effectively collapsed. However, the other problem was that too many firms, such as RBS, clearly did not understand the extent to which they were exposed, and because of that they got into difficulties. That was a feature of many of the banks that failed. We need, first, to ensure that we have adequate capital that stands behind the banks' activities, and that that capital is commensurate with the nature of the operations. Secondly, we have to ensure that in the event of a bank getting into difficulties there is a resolution plan—a living will—whereby the regulators of the banks know exactly what needs to be done and who needs to be doing what.

The crucial thing—this comes back to the point raised by the hon. Member for Louth and Horncastle (Sir Peter Tapsell)—is that it is necessary for us to ensure that the regulatory reforms are not just put in place here but done on a broad-based international basis. That is what we need, and it is in all our interests to ensure that it happens. Let us remember that at the end of the day we have to ensure that we have a robust regulatory system, but also a system that ensures that banks are there to provide credit for the economy, which is the objective of all the reforms that are being put in place.

Mr. George Osborne (Tatton) (Con): The Chancellor is proving quite a defender of the old model of finance. The President of the United States did not say that he wanted a return to a full-scale Glass-Steagall approach and the break-up of the banks; he said that he wanted to separate retail deposit-taking from large-scale proprietary trading, large internal hedge funds, and large internal private equity funds. I agree with him, and I think that these things should be agreed internationally. Could the Chancellor explain very specifically why he disagrees with the President of the United States?

Mr. Darling: As I have said before, we have still to see the details of what the President is proposing; I understand that we will see more during the course of this week. I have to say to the hon. Gentleman that we are dealing with a complex set of proposals. On the day that the President made his announcement, according to Robert Peston—[Hon. Members: "Ah!"] Well, I am sure that he is right on this. Robert Peston said that the shadow Chancellor had told him

"explicitly…that a Tory government would impose an identical dismantling of British banks to those suggested by President Obama."

Yet on 28 January, in *The Wall Street Journal*, the hon. Gentleman said:

"I fully understand that modern universal banks need to offer their customers investment banking services"

in other words, a complete climbdown from the position that he had adopted only seven days earlier.

Mr. Osborne: Let me make this clear to the Chancellor of the Exchequer. I agree wholeheartedly with the President of the United States that large-scale proprietary trading should not sit alongside retail deposit taking. If I were in the Chancellor's job, I would be trying to work on that internationally instead of opposing it.

May I ask the Chancellor about something else that the President proposed in that speech? He said that he wanted a bank levy; and, of course, the Swedish Government have proposed a forward-looking insurance levy. At the Finance Ministers' meeting, the Prime Minister floated the idea of a Tobin tax, but the Governor of the Bank of England told the Treasury Committee:

"I don't know anyone on the international circuit who is enthusiastic about it".

Given that the Governor talks to the Chancellor a lot, presumably the Chancellor is included among those who are not enthusiastic about it. Can we take it that the Tobin tax idea is now completely dead?

Mr. Darling: On the hon. Gentleman's first point, I said that where there is common ground between us and those in the United States, we will work closely with them; that is something that I intend to pursue at the G7 meeting this weekend, along with other Finance Ministers. I do not accept the proposition that if we simply break up banks we will sort the problem that needs to be sorted, because of the connections between financial institutions. That needs to be got right. The hon. Gentleman—he is allowed to do this—has changed his mind over a period of all of seven days. Today he was promising a speech on a new economic model; it is clear that we get a new economic model from him every single day.

International levies and an insurance fund are something worth looking at, and we will certainly work not only with the Americans but with other countries on that.

Unsecured Loans

2. **Bob Spink** (Castle Point) (Ind): If he will take steps to provide greater protection to people who take unsecured loans at high interest rates; and if he will make a statement. [314429]

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): We are concerned about the impact of high-cost credit products on the most vulnerable in society. The Office of Fair Trading is reviewing the market for high-cost credit, and its report is due out in the spring. We will respond quickly to address the issues raised.

Bob Spink: Some interest rates and some lenders' practices are indefensible. What are the Government doing to build the capacity of third sector lenders? We need to do that to displace the need for pay-day loans and logbook loans.

Sarah McCarthy-Fry: I thank the hon. Gentleman for his question and pay tribute to him for his work in protecting vulnerable people and for the number of times he brings these issues to the House to draw attention to them.

Alongside the work that the OFT is doing on a regulatory basis, we are trying to increase the supply of low-cost credit. There is a key role in that for the growth fund, through which £98.75 million has been made available. It is on target to meet the goal of 150,000 affordable loans a year, through credit unions and community development financial institutions, which are trusted in the community and to which people know they can go to get the low-cost credit that they need.

Mr. Lindsay Hoyle (Chorley) (Lab): I welcome what my hon. Friend says, but does she agree that the biggest concern is the high interest when people sign up for credit and then the intimidation and bullying that they face in order to get repayments? What more can we do to ensure that there are alternatives, so that people can access the money that they need? How can we promote that, especially through the credit unions?

Sarah McCarthy-Fry: I certainly pay tribute to the credit union movement for its work. As I said, credit unions are rooted in their communities and provide people that those communities know. They give people the information that they need to make informed choices, so they know that they do not have to go to the high-cost doorstep lenders and that there are places where they can access low-cost credit. As I said, credit unions are a prime example of how they can do that.

Mr. Mark Hoban (Fareham) (Con): Last week the Treasury ruled out a clampdown on store cards because of the impact that it would have on store card issuers. Why are the Government ignoring the risk that shoppers can be sucked into taking out a store card because of the discounts offered on that day's shopping, but then end up paying one and a half times the interest rate that is normally charged on credit cards? Is it not time to give the OFT the power to clamp down on excessive rates and the marketing of store cards?

Sarah McCarthy-Fry: As I said, the OFT has been carrying out a quite comprehensive review of high-cost consumer credit and other credit products. It is looking at the attitude and behaviour of consumers and how they use those products, and it is examining evidence from international research. As I said, it will report in the spring, and we are committed to examining that report and taking action on what is put forward.

UK Credit Rating

3. **Richard Ottaway** (Croydon, South) (Con): What recent discussions he has had with credit rating agencies on the UK's AAA rating. [31443]

The Chancellor of the Exchequer (Mr. Alistair Darling): As the House would expect, Treasury officials meet a wide range of organisations and have done so for a number of years.

Richard Ottaway: The Chancellor will be aware that the Governor of the Bank of England urged him to publish a credible deficit reduction plan or risk losing Britain's triple A rating. The CBI has said:

"Current plans to halve the deficit over four years are too little, too late. The UK's AAA credit rating must be put beyond doubt."

Is it not high time that the Chancellor produced a credible deficit reduction plan so that it could be reduced substantially over the lifetime of a single Parliament?

Mr. Darling: That is not quite what the Governor said, but I say to the hon. Gentleman that we are committed to halving the deficit over a four-year period, which means a sharp reduction in spending. We propose to do that once we believe that recovery is established, from 2011. The Governor made the point that to withdraw support prematurely would risk damaging the economy. I agree with the hon. Gentleman that it is important to have a firm, credible plan. What is quite clear, though, especially in the past few hours, is that the Opposition do not have a credible plan, or even a plan at all. It is quite obvious that they are living from one day to the next. Their proposals are a complete and utter shambles.

Mr. David Drew (Stroud) (Lab/Co-op): Is it not about time that we looked at the way in which that system works, with faceless individuals who seem to have the power of countries in their hands? Is it not about time we demanded transparency, so that those individuals have to answer for some of the decisions they make after scurrying around, briefing against countries? We want some transparency in the system.

Mr. Darling: Inevitably in markets, people say things for different reasons, but what is important is that people are left in no doubt that we have a firm proposal to reduce the deficit over a four-year period. When one looks at the pre-Budget report, one will see that the structural deficit, which begins to be reduced next year, comes down by something like two thirds over that period. That is an example of where we are prepared to act.

What undermines credibility is someone saying one week that they need to tear up our plans and that not doing so is moral cowardice, and then the hon. Member for Runnymede and Weybridge (Mr. Hammond), the shadow Chief Secretary, when asked about the proposals, saying, as he did yesterday, "I can't give you a specific figure now." When pushed, he said, "Well, it might be £1 billion," and then he says, "Of course, we don't have a detailed plan worked out." That is blindingly obvious. To coin a phrase, he can't go on like this.

Mr. Philip Hammond (Runnymede and Weybridge) (Con): Could the Chancellor reassure the House that he and the Treasury fully understand the consequences of any downgrade of the UK's triple A credit rating? Apart from the impact on demand for new issues of gilts and the costs of funds, he will be aware that many holders of UK gilts are restricted to holding triple A assets, and therefore that a downgrade risks provoking wholesale disposals by them. Does he have an estimate of the proportion of UK gilts that are held by institutions

that hold only triple A rated assets? If he does not, will he ask the Debt Management Office to prepare one and have it available on Ministers' desks on 7 May?

Mr. Darling: The only rating that is being downgraded at the moment is the shadow Chancellor's. I put it to the shadow Chief Secretary that a week ago, the Leader of the Opposition said:

"We cannot go on like this...And you just need to look at Greece to see what happens if we do"

but yesterday, the shadow Chief Secretary, when asked on the television—

Mr. Speaker: Order. I am very grateful to the right hon. Gentleman, but he has volunteered his views on these matters at considerable length already. I think we will leave it there.

Capital Allowances (Plant and Machinery)

4. **Rob Marris** (Wolverhampton, South-West) (Lab): What recent assessment he has made of the likely effects on businesses of aligning capital allowances for plant and machinery with depreciation accounting rates. [314431]

The Economic Secretary to the Treasury (Ian Pearson): Reforms implemented in April 2008 ensure that capital allowances are more closely aligned with true economic depreciation, and that business investment decisions better reflect commercial rather than tax considerations.

Rob Marris: At a time when the manufacturing purchasing manufacturers' index is at last rising strongly, will the Minister assure me that this Labour Government will not slash capital allowances for plant and machinery, as proposed by the Conservatives? Such a cut would devastate manufacturing in the west midlands and the UK, and cause a double-dip recession.

Ian Pearson: My hon. Friend is right to point to the very promising manufacturing figures that were announced today and to recognise the importance of the capital allowances regime in ensuring investment in our future. Frankly, it is quite ridiculous to have a policy that says, "We're going to give with one hand, and take away with the other."—a policy of giving corporation tax reductions but taking away the capital allowances that are needed by manufacturing businesses in this country. I am not against cutting corporation taxes—indeed, this Government have cut them by 5p in the main rate since we came to power—but we should not do it at the expense of investment in our future, which is what the Conservatives would do.

Mr. Julian Brazier (Canterbury) (Con): There is a strong case for a lower rate and a simpler structure. However, increasing the cost of labour through increases in national insurance contributions, while having a generous programme of capital allowances, is unbalancing the cost of capital versus labour, when we have 2.3 million unemployed.

Ian Pearson: The hon. Gentleman cannot get away from the fact that his policy is to reduce capital allowances to 12.5 per cent. and abolish the annual investment allowance. That would mean that more than 400,000 businesses in this country would see an 87.5 per cent. reduction in the tax relief that they can obtain at the moment. That is not a credible policy to support medium-sized businesses or investment in this country.

Fiscal and Monetary Policy

5. **Geraldine Smith** (Morecambe and Lunesdale) (Lab): What steps he plans to take to maintain the level of demand in the economy in the next 12 months. [314432]

The Chancellor of the Exchequer (Mr. Alistair Darling): As I set out in the pre-Budget report, we will continue to provide fiscal support during 2010-11, alongside the monetary policy action being taken by the Bank of England.

Geraldine Smith: Does my right hon. Friend agree that priority must be given to economic growth and protecting jobs and services and that, while it is important to reduce the deficit, immediate cuts could plunge this country into recession?

Mr. Darling: I very much agree with my hon. Friend. It is important to recognise that across the world, including in this country, it is the support given by Governments that has enabled us to avoid the recession becoming a global depression. It is also one of the reasons why countries are beginning to come back into growth. To remove that support prematurely would run the risk of derailing the recovery. That would be unforgivable, given all the pain that people have had to go through, and that is why we will continue to support businesses and families, to ensure that we get the recovery firmly established. Then we have not only to reduce the deficit, but to ensure long-term growth to provide the jobs in the future.

Mr. John Redwood (Wokingham) (Con): But cannot the Chancellor see that because he is overspending and over-borrowing in the public sector he is squeezing the private sector, which is having to pay high and rising rates of interest if it can get credit at all? What does he say to people with Skipton mortgages or small businesses that cannot borrow a single penny?

Mr. Darling: As the right hon. Gentleman will know, we have taken steps to ensure that the banks increase the amount of gross lending that they are putting into the economy. At a time when private sector investment has stopped or reduced, if it had not been for the public sector intervention, the downturn would have been much greater than it is. As it is, we can see signs of increasing confidence—he will have seen the survey of manufacturers published yesterday, which is very encouraging. Across the world, we can see the results of Governments acting together and making a real difference. To remove that support prematurely, if indeed that is the Opposition's policy today—who knows?—would be the wrong thing to do because it would be damaging to the country.

Kelvin Hopkins (Luton, North) (Lab): Does my right hon. Friend accept that the exchange rate is crucial in maintaining a good level of demand in the domestic economy, and that the bounce-back in manufacturing is due largely to the wise and substantial depreciation of sterling? Will he continue the downward pressure on the sterling exchange rate to ensure that our recovery is sustained?

Mr. Darling: As my hon. Friend knows, the Government's policy is to target inflation, but it is the combined efforts of fiscal policy and monetary policy that will make a difference and ensure that we can get through this and achieve the sustainable growth that is absolutely essential. It is very important that we secure that growth and we continue to take no risks with the recovery, and that is why the approach of the Conservatives is profoundly wrong.

UK Budget Deficit

6. **Mr. Richard Spring** (West Suffolk) (Con): What recent estimate he has made of the level of the UK budget deficit in comparison with other G20 economies; and if he will make a statement. [314433]

The Chief Secretary to the Treasury (Mr. Liam Byrne): The International Monetary Fund sets out estimates of deficits around the world. We remain determined to halve the deficit over four years, and we have set out clear plans to do so.

Mr. Spring: The Chief Secretary knows full well that in percentage terms this country has the highest budgetary deficit in the entire G20, as well as an extremely anaemic growth rate. What particular failure of Government policy has brought about that fiasco?

Mr. Byrne: We make no apology for intervening to protect businesses and families from the worst economic storm for the last 60 years, but the reason that we had the flexibility to take that action is that we went into this recession with the second lowest level of debt in the G7. If the hon. Gentleman takes the IMF figures for 2014, he will see that the figures for this country are 18 per cent. lower than the average for the G7. Once recovery is set in, we have to take steps to halve the deficit over the course of four years and to bring down the structural deficit by some two thirds, and we have set out clear plans to do so—in sharp contrast to the Conservatives.

Ms Sally Keeble (Northampton, North) (Lab): Does my right hon. Friend agree that the worst possible thing to do in dealing with the deficit would be to make disproportionate cuts during the lifetime of the next Parliament? That would lead to savage cuts in public services and a catastrophic loss of jobs in the public sector.

Mr. Byrne: My hon. Friend is right. Suggestions have been put to us for reducing public spending next year—for example, reducing eligibility for child trust funds—but of course that would require legislation in this House, which it is unlikely could be delivered within the next financial year. Others have said that we could reduce eligibility for child tax credits, but of course the proposals that we were told would save £400 million would, in fact, save only £45 million. So the Conservative party has offered no credible plans to reduce public spending next year. However, the key point is that it would be the wrong thing to do because it would put at risk the recovery that we have fought hard for.

Tax Avoidance

7. **Mr. Adrian Sanders** (Torbay) (LD): What steps his Department is taking to reduce levels of tax avoidance by individuals and businesses. [314434]

The Financial Secretary to the Treasury (Mr. Stephen Timms): We detect avoidance early and we tackle it quickly. The disclosure regime has already helped to prevent more than £12 billion in avoidance opportunities, and in the pre-Budget report, we announced further steps to strengthen it. Building on progress at the G20 London summit, we have signed 21 agreements on tax information exchange with other countries since last January.

Mr. Sanders: If the Government are serious about tackling tax avoidance, why have 25,000 jobs in Her Majesty's Revenue and Customs been cut in the past five years, including recently 20 in my constituency? Surely that hampers the ability of the Minister's Department to investigate, gather evidence and prosecute dodgers.

Mr. Timms: No, we have to manage the affairs of HMRC and other Departments in the most efficient and effective way possible. As the hon. Gentleman said, there has been a substantial reduction in the number of people working in HMRC, partly because of the merger between the old Customs and Revenue Departments, which has enabled a more efficient operation. It is doing a better job, and we are reducing the tax gap, bringing in the tax that the Exchequer needs.

Mr. Stephen Hepburn (Jarrow) (Lab): May I applaud the Government's plans to curb bogus self-employment in the construction industry, which costs this country £1.7 billion a year in lost revenue? May I ask the Minister for an assurance that he will resist any opposition to our plans from construction industry bosses who only want to maintain that culture of hire and fire in the industry?

Mr. Timms: My hon. Friend is absolutely right, and we are certainly sticking to our intentions on that front. In other areas where loopholes emerge, we will act very quickly—on occasions we have acted within days—to close them.

Private Finance Initiative

8. **Miss Anne McIntosh** (Vale of York) (Con): What recent assessment he has made of the financial viability of Government projects operated under the private finance initiative. [314435]

The Economic Secretary to the Treasury (Ian Pearson): Financial viability is assessed as part of the consideration of a project's outlined business case and follows Treasury Green Book rules.

Miss McIntosh: The Economic Secretary will be aware that the country is dependent on a number of waste facilities under private finance initiative projects set when the economy was in a better state. How confident is he that those PFI initiatives will be bid for and met, and that, as a result, the Government will be able to meet their landfill targets?

Ian Pearson: On waste projects, and many other projects supported through the PFI, the Government have a record of which we can be proud. The hon. Lady will be aware of the Manchester waste project of the last calendar year and of the support for it from the Treasury industry finance unit. A number of other waste projects are currently in the PFI pipeline and extend to £19 billion of potential projects. We want to ensure that those projects are delivered, that they deliver good value for money for the taxpayer, and that they help local authorities to meet their landfill targets and our overall carbon targets.

Fiscal Support (Families)

9. **Mr. Brian Jenkins** (Tamworth) (Lab): What fiscal measures he plans to introduce to support families in the next 12 months. [314436]

The Financial Secretary to the Treasury (Mr. Stephen Timms): The child element of the child tax credit will rise by £65 in April; working tax credit and child benefit will rise by 1.5 per cent; tax thresholds will be frozen, providing a real-terms gain for taxpayers; and, from September, free primary school meals will start to be provided to children from lower income working families.

Mr. Jenkins: I thank my right hon. Friend for that answer. May I pass on to the Government the thanks of many of my constituents for the working families tax credit—as it says on the tin, "working families". He knows that one of the major problems that a family can face is unemployment. What more can he do to reduce the fear and possibility of families facing that hardship?

Mr. Timms: My hon. Friend is absolutely right. Tax credits have played a crucial role, not least in protecting families from unemployment during the downturn, because access to the tax credit system has made reduced hours, instead of job losses, more feasible for people. For example, from April to October last year, 400,000 families whose incomes have fallen have had extra help, averaging £37 per week. Alongside that, of course, we have provided substantial additional resources to Jobcentre Plus, which is why, contrary to many expectations, the number of people in work has remained much more buoyant.

Mr. Graham Stuart (Beverley and Holderness) (Con): Can the Minister confirm whether Energywatch is right to say that the number of families in fuel poverty, at 5.9 million, is greater than at any time in the past 10 years? Could he also tell the House whether the Government plan to meet the child poverty target that they set for 2010?

Mr. Timms: It is of course the case that we have provided substantial support to families over the past couple of years during the downturn. That is why, for example, there are so many fewer home repossessions than were expected, while unemployment is less and the crime rate has gone down rather than up. There is still more to be done on fuel poverty. On child poverty, independent estimates are that we will be about two thirds of the way towards the 2010 target, despite the obvious challenges that we have faced during the downturn, and, as the hon. Gentleman knows, we have legislated for a 2020 target as well.

Mrs. Joan Humble (Blackpool, North and Fleetwood) (Lab): Many parents are unaware of the support available to them to help them pay the costs of child care if they want to go back into work or remain in work. Will my right hon. Friend liaise with colleagues to ensure that parents understand that there is a child care tax credit, that there will be more free child care places later this year and that there will be pilots for low-cost loans to help parents pay up-front child care costs, so that they can remain in work and their children can be lifted out of poverty?

Mr. Timms: My hon. Friend is absolutely right. Access to good-quality affordable child care is crucial for enabling parents to return to work, and we will indeed make further progress as she said.

Better Healthcare Closer to Home

10. **Tom Brake** (Carshalton and Wallington) (LD): When he will give final approval for expenditure on the Better Healthcare Closer to Home project. [314437]

The Chief Secretary to the Treasury (Mr. Liam Byrne): Moving health care closer to home is a policy objective of this Government. I think that the hon. Gentleman has in mind a scheme that has been submitted by his local NHS to the Department of Health. That scheme is currently under consideration by that Department and when it comes to me, I can assure him that I will review it thoroughly, but also promptly.

Tom Brake: I would like to thank the Health Minister, the right hon. and learned Member for North Warwickshire (Mr. O'Brien), for his support for the project. Would the Chief Secretary be willing to meet concerned local Members of Parliament over the next couple of weeks, so that we can ensure that the pressure is maintained on the different partners involved in the project and ensure that Better Healthcare Closer to Home is delivered for the residents of Sutton and Merton? The next four weeks are critical.

Mr. Byrne: I am always happy to meet groups of right hon. and hon. Members. In particular, I would like to put on record my thanks to my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) for her tireless campaigning on behalf of the project. We are proud of the number of hospitals that the Government have built. We said that we would build 100 new hospitals by 2010; in fact, the Department of Health is on course to build 126 by the end of this year. The scheme to which the hon. Gentleman referred is yet to come to me for approval. The House would expect me to look at the business case thoroughly when it arrives, but as I said to him a moment ago, I also understand the need for speed.

Siobhain McDonagh (Mitcham and Morden) (Lab): May I thank my right hon. Friend for that answer? Can he make a commitment to ensuring that the health services received by my constituents will continue to be a top priority for this Government?

Mr. Byrne: My hon. Friend can rest assured on that point. I met the Secretary of State for Health last week to begin our preparations together for considering that

particular project. I hope that she will be able to join me and any other hon. Members who would like to get together to discuss that important new development.

Public Sector Debt

11. **Mr. David Heathcoat-Amory** (Wells) (Con): What estimate he has made of the peak amount of future public sector debt; and when he expects that peak to be reached. [314438]

The Economic Secretary to the Treasury (Ian Pearson): As set out in the pre-Budget report, public sector net debt is forecast to peak at 77.7 per cent. of GDP in 2014-15. Projections beyond that are consistent with debt falling as a share of GDP in 2015-16. Although the UK's public debt is rising in response to the recent shocks, it will remain in line with that of other advanced economies.

Mr. Heathcoat-Amory: That means that the national debt will reach £1.4 trillion. Is the Minister aware that if we repaid debt at the rate of £1 every second, we could repay £1 million in 12 days, but that it would take 44,000 years to repay the total debt to which he has alluded? Does that not strengthen the case for starting early?

Ian Pearson: As has been made very clear, we want to take action to curb the deficit and reduce debt. We have set out plans to halve the deficit over four years. The right hon. Gentleman should be aware that our figures for net debt compare pretty much with those of France and Germany and with the G7 average this year, not according to the Government's figures, but according to the International Monetary Fund's figures. I am sure he will welcome that.

Alcohol (Minimum Price)

12. **Mr. Andrew Turner** (Isle of Wight) (Con): What discussions he has had with ministerial colleagues on the revenue which would accrue to the Exchequer if proposals for a minimum price for alcohol were implemented. [314439]

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): There are a number of different approaches available if proposals for a minimum price for alcohol were implemented. The revenue impacts, which could be positive or negative, would depend on the level of any minimum price and the way in which minimum pricing was implemented.

Mr. Turner: Does the Minister agree that such proposals might lead to increased prices on imported alcohol? How does she think our trading partners would react?

Sarah McCarthy-Fry: We would have to take such a consideration into account if we were introducing minimum pricing. Duty alone could not deliver minimum pricing for alcohol products, but when we consider changes to duty rates, we have to consider impacts on the industry, as well as on Exchequer revenues.

Dr. Brian Iddon (Bolton, South-East) (Lab): Why is the Treasury so against a unit price for alcohol below which it cannot be sold by anyone, including supermarkets?

Sarah McCarthy-Fry: I thank my hon. Friend for his question. I refer him to the answer that I gave to the original question. We cannot use alcohol duty alone as a mechanism to deliver minimum pricing for alcohol products; there are a number of practical and legislative constraints. We are, of course, always willing to consider the matter further and to consult other colleagues about it.

Mr. Greg Hands (Hammersmith and Fulham) (Con): Like the hon. Member for Bolton, South-East (Dr. Iddon), the Health Secretary appears enthusiastic about minimum pricing, but it would hit responsible drinkers hard, without any benefit to the public finances. I know that much of the Government's economic policy is back to the 1970s, but setting the price of goods is surely a step too far. Instead of trying to fix prices, should they not try and fix the problem and raise taxes on problem drinks, rather than on responsible drinkers?

Sarah McCarthy-Fry: I must remind the hon. Gentleman that there is an EU rates and structure directive that means that beers and spirits must be taxed in proportion to alcohol content, and wines and cider must be taxed in bands of alcohol strength, which constrains what we can do on specific drinks. Also, alcohol duty is paid by producers. That applies equally, regardless whether products are sold in pubs or supermarkets. Many of the problems cited by hon. Members are not about responsible drinkers in pubs, but about the prices charged in supermarkets. As I said, alcohol duty alone cannot deliver a solution.

Early Intervention Policies

13. **Mr. Graham Allen** (Nottingham, North) (Lab): What assessment he has made of the effects on the economy of implementation of policies for early intervention; and if he will make a statement. [314440]

The Chief Secretary to the Treasury (Mr. Liam Byrne): The Government fully recognise the benefits of early intervention and the value for money that it brings. That is why I announced in the Command Paper that I laid before the House before Christmas a new programme of work designed to test innovative forms of finance aimed at boosting investment in early intervention.

Mr. Allen: We all seem to be agreed that we need to reduce the deficit by half over four years, but there are two ways to do that—either by reducing public expenditure, or by reducing the need for that public expenditure by intervening early in the problems that much public expenditure is spent on, so that that expenditure is not necessary. Will my right hon. Friend and the Treasury exercise due diligence in looking at the financial instruments that are being developed on the capital markets, which could raise money in the first instance to make sure that early intervention programmes can be sustained?

Mr. Byrne: I would like to put on record my personal thanks to my hon. Friend for the pioneering work that he has overseen in Nottingham, where there is a great deal for policy makers and for politicians to learn. Like him, I am keen that we explore new ways of drawing

money into innovative projects focused on early intervention, and I hope the measures that we have announced to create in this country a social investment wholesale bank, together with social impact bonds that will be brought forward by the Secretary of State for Communities and Local Government and, I hope, the Secretary of State for Justice will be a substantial step in testing some of the ideas that are being pioneered now in Nottingham.

Fiscal and Monetary Policy

15. **Mr. Andy Reed** (Loughborough) (Lab/Co-op): What steps he plans to take to maintain the level of demand in the economy in the next 12 months. [314443]

The Economic Secretary to the Treasury (Ian Pearson): As my right hon. Friend the Chancellor said some moments ago, we will continue to provide fiscal support during 2010-11, alongside the monetary policy action being taken by the Bank of England.

Mr. Reed: My hon. Friend will not be surprised to hear that when I met representatives of 3M Health Care in my constituency, it said that it was quite clear that expenditure in the health service over the last 12 months had meant the difference between keeping the company going and it possibly folding. Will he ensure that moneys spent recognise the impact of such expenditure on the private sector as well as on the public sector? Those 600 company jobs in Loughborough are thanks to the excellent work of investing in the national health service.

Ian Pearson: My hon. Friend is absolutely right to highlight the importance of public procurement in supporting private sector jobs in this country. The figures show that more than 95 per cent. of Government spending on procurement goes to UK firms. I am sure that we all appreciate that. There is a direct link between Government spending, public procurement and jobs in the UK economy. We need to ensure that we get good value for money while at the same time supporting UK firms.

Sir Nicholas Winterton (Macclesfield) (Con): Would the Minister not accept that this country's elderly can also help to maintain demand in the economy? Bearing in mind that many of them rely on their savings, on which they getting a negative return because of inflation and taxation, is it not time that the taxation system enabled the elderly, who rely upon savings, to get some meaningful return for their responsibility?

Ian Pearson: I know the hon. Gentleman has always raised the issue of pensioners and is a champion of them. He will be aware, however, that this Government have taken many pensioners out of poverty through the measures we have introduced—for example, by increasing the limits on individual savings accounts in the 2009 Budget and by providing an opportunity for tax-free savings for the over-50s, including pensioners, which is to be extended to all savers from April this year. Those are welcome measures, and as a Government we will always want to acknowledge the vital role pensioners play in contributing to our economy—just because people are retired, it does not mean that they are not economically active citizens and are not contributing to our society.

Topical Questions

T1. [314452] **Annette Brooke** (Mid-Dorset and North Poole) (LD): If he will make a statement on his Departmental responsibilities.

The Chancellor of the Exchequer (Mr. Alistair Darling): The Treasury's responsibilities remain as I have set out on previous occasions.

Annette Brooke: Given that this Government's policies have failed to reverse the rising income inequality of the Tory years, does the Chancellor agree that raising the basic tax allowance would help pensioners like Mr. Whitty of my constituency, who has very little and yet still pays income tax?

Mr. Darling: Over the past 12 years, we have taken measures to take an increasing number of pensioners out of tax precisely by raising their personal allowances. *[Interruption.]* I am sure that the hon. Lady is being unintentionally distracted by her hon. Friend the Member for Southport (Dr. Pugh), but I was making the point that because we have raised personal allowances for older people, we have been able to take more pensioners out of tax. On top of that, measures such as the winter fuel allowance and others have helped elderly people meet their responsibilities and enjoy a better standard of living than they would otherwise have done.

T2. [314453] **Barry Gardiner** (Brent, North) (Lab): Is my right hon. Friend aware that more than a year ago, the European Council took a decision to raise funds for carbon capture and storage projects by exceptionally permitting the Commission to auction new entrants reserve allowances for the emissions trading scheme—a decision that has resulted in a proposal to comitology today. Will the Chancellor confirm whether the UK Treasury has dropped its demand that it, rather than the Commission, control the auction of the UK share of these allowances, and that the entire CCS strategy of the Commission will now be able to proceed unhindered?

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): I would like to assure my hon. Friend that HM Treasury remains fully supportive of carbon capture and storage. We are committed to the demonstration projects in the UK and we welcome the use of EU funds to bring those projects forward. It is correct that the negotiations and discussions in the comitology process are going on today, so I do not wish to prejudice them. Let me nevertheless be clear that any decisions to support the specific proposal will not in any way prejudice future negotiations on the auctioning of allowance under phase 3 of the directive.

Mr. George Osborne (Tatton) (Con): Yesterday, in response to a freedom of information request from us, the Treasury published a document to which it had referred—I have it here—citing international examples of spending consolidations. It has redacted pages and pages of it. It has even redacted the front cover. Can the Chancellor explain why?

Mr. Darling: I am sure that there was a good reason. As the hon. Gentleman and the House know, the Freedom of Information Act provides for advice to Ministers to

be withheld. As for the document referred to, for the most part, it brings together contemporary literature on the question of fiscal consolidation.

It seems to me, however, that it is the hon. Gentleman who has the problem. Five times today he was asked what his plans were for next year, and five times he refused to answer.

T3. [314454] **Mr. Gordon Marsden** (Blackpool, South) (Lab): Treasury funding for Sure Start children's centres in Blackpool, of which there are now 12, has been crucial for the nearly 8,000 families in the catchment area. Will my right hon. Friend's fiscal plans for the future include a commitment to continuing support for Sure Start—not just the buildings, but the outreach staff and the people who go into the communities, whom we would fund and the Conservative party would not?

The Financial Secretary to the Treasury (Mr. Stephen Timms): We have committed ourselves to maintaining spending on Sure Start children's centres in real terms beyond next year. We will continue that spending in the following two years in order to protect the invaluable help for families that those centres provide, which my hon. Friend rightly supports and from which people across the country are benefiting.

T4. [314455] **Danny Alexander** (Inverness, Nairn, Badenoch and Strathspey) (LD): In the run-up to the last Budget, the Economic Secretary kindly met representatives of Highlands council and me to discuss the proposals for temporary relief from the council's huge housing debt repayments, which were intended specifically to create jobs in the local construction sector. Given the need to continue to support jobs and growth in the economy over the next year, will the Economic Secretary look again at the council's positive, constructive suggestion of a way to create jobs in the highlands?

The Economic Secretary to the Treasury (Ian Pearson): As the hon. Gentleman will remember, there was correspondence later which was followed up. However, I appreciate his concern about the impact of the problem in his area and the potential of the council's proposals, and I shall be more than happy to look at those proposals again.

T6. [314458] **Mr. Ken Purchase** (Wolverhampton, North-East) (Lab/Co-op): What arrangements is the Economic Secretary making in relation to international agreements about tax avoidance and evasion? I am thinking particularly of Belize, where I understand a major donor to the Conservative party may be avoiding taxation.

Mr. Timms: We have made a great deal of progress on tax information exchange agreements in the last year. I believe we have made more progress in the last year than in the previous 10 years put together. Last week the OECD published a report showing good progress across the board. In regard to Belize, however, I can tell the House that no agreements have been signed so far.

T5. [314456] **Mr. Andrew Mackay** (Bracknell) (Con): Just why did the Chancellor earlier duck a direct question from the shadow Chancellor, my hon. Friend the Member for Tatton (Mr. Osborne), about the future of the Prime Minister's Tobin tax proposals? Was it because he was embarrassed to take sides between the Governor and the Prime Minister?

Mr. Darling: The House will know that on 10 December last year the Government published a wide range of proposals relating to matters including transaction taxes, increased capital and the insurance levy. All those matters are still being discussed. The IMF has been asked to come up with proposals, which will be discussed at the spring meetings.

As I said earlier, there are problems which we know need to be dealt with at global level. We have constructive proposals for doing that, and we will work with other countries to ensure that this year we implement what we agreed to do last year. That is critical.

T7. [314459] **Sandra Osborne** (Ayr, Carrick and Cumnock) (Lab): People in Coventry can benefit from the boiler scrappage scheme, whereas people in Cumnock cannot because the Scottish Government refuse to implement it. Does the Minister agree that people in my constituency and throughout Scotland would benefit from the scheme, and will he make representations to that effect?

The Chief Secretary to the Treasury (Mr. Liam Byrne): My hon. Friend will know of the virtues of the scheme that was introduced in England. It can not only deliver a reduction in families' heating bills, but have an impact on reducing the country's carbon emissions. The requisite spending is a devolved matter in Scotland. Barnett consequentials were provided on the £20 million addition that was made to the budget of the Department of Energy and Climate Change, but the argument will of course need to be prosecuted in Scotland.

T9. [314461] **Ann Winterton** (Congleton) (Con): Is the Minister aware that Her Majesty's Revenue and Customs has acknowledged that there are errors in some of the tax codes currently being issued, caused, I understand, by the transfer of data to a new computer system? The advice is to ring to register that a tax code might be wrong, but the lines are constantly engaged, so people cannot get through. Will he look at that problem and sort it out?

Mr. Timms: I certainly will. It is the case that a new computer system is being used for PAYE this year. It is working very well and is enabling HMRC to hold in one place all the records on one person's employment and pensions, which was not possible in the past. As the hon. Lady has said, there has been an issue about tax codes, and HMRC will be working to iron out the problem well before the start of the new tax year. I will look into the issue about the phone line—for those who are interested, the number is 0845 3000 627.

T8. [314460] **Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): Earlier in Question Time, the Minister outlined some actions that the Government have taken to tackle extortionate credit offers by doorstep lenders and store cards. One of my constituents recently received an e-mail from PaydayUK offering a loan with APR interest of 1,737 per cent. Will the Government ensure that that type of online offer and newer forms of lending on offer in the marketplace are tackled, as well as traditional forms of lending?

Sarah McCarthy-Fry: I can certainly assure my hon. Friend that we are very concerned about these high-cost credit products. That is why the Office of Fair Trading is bringing forward new guidance on irresponsible lending to cover the marketing and selling of credit products. We are determined to tackle irresponsible lenders, and we are sure that we will be able to take action against those who are unable or unwilling to follow the guidance.

Mr. David Evennett (Bexleyheath and Crayford) (Con): Is the Minister aware that businesses in my constituency are suffering because they cannot get the credit that they need to survive? Can he outline what recent instructions he has given to those banks in receipt of billions of pounds of taxpayers' money to ensure that small businesses can get the credit that they desperately need?

Mr. Darling: As I said earlier, we have agreements with the Royal Bank of Scotland and Lloyds to increase the amount of money that they are lending to the small and medium-sized enterprise sector. That lending has been issued, although the net figure is affected by the fact that there have been some quite large-scale repayments. In the first instance, the hon. Gentleman should do what I do and write to the branch of the bank that the small business deals with. If that does not work and the hon. Gentleman continues to have difficulties, I will be happy if he gets in touch with me and lets me know what those specific difficulties are. He will appreciate that sometimes the bank may be acting unreasonably, but that at other times there may be a reason why someone has been refused credit.

Mr. Don Touhig (Islwyn) (Lab/Co-op): I listened with interest to the answers that my right hon. Friend the Chancellor gave to Question 1. The Americans appear to favour safe retail banks, guaranteed by the taxpayer, and casino investment banks that would not have such guarantees. I am sure that he would agree that the British taxpayer should not be on the hook for the risky activities of British bankers. Does he also agree that it is important that we get an early decision from the Government on how they intend to proceed?

Mr. Darling: First, I think that we should wait and see what the final American proposal is because discussions are taking place and it may not be quite as was reported last week. We will see. In relation to my right hon. Friend's point about what he calls casino banks, the safe investment banks, the problem with that approach was probably demonstrated most vividly in relation to Lehmans. It did not have a single retail deposit in it. The then American Administration let Lehmans collapse and it brought down the world's banking system on top of it. That rather makes the point that it is difficult for any Government to say in advance that they would never step in in relation to a particular bank, especially if there were a systemic crisis, as there was in 2008. That is the difference that I have in relation to approach but I look forward to discussing the matter with the United States Treasury Secretary when I see him in Canada on Friday.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Last Wednesday, the Chancellor made a welcome announcement to encourage greater investment in gas production west of Shetland. Can he confirm that that sends a signal to other investors in the industry that, if they are willing to come to the Treasury with detailed cases, the Treasury will be willing to look at ways to unlock further potential from our resources offshore?

Mr. Darling: Up to a point; I would not want to raise false hopes. As the hon. Gentleman knows, because he has long taken an interest in these matters, for some time, there has been a lot of discussion on how we can open up the waters to the west of Shetland to get at the oil and gas supplies there. It is estimated that about 20 per cent. of oil and gas supplies are there, waiting to be exploited. The measure that I introduced last week will, I hope, mean that some companies will be prepared to consider investing there. That is very important if we are to safeguard the security of supply of oil and gas, which is important. Of course I am always open to suggestions, but I would not want people to think that they only had to knock on the door and they will get what they want. That is probably not the case.

Mr. Geoffrey Robinson (Coventry, North-West) (Lab): Will the Minister take a look at the question of the differential interest rates that apply in many private finance initiative contracts? Interest rates were a lot higher when those contracts were signed, and all interest rates are now a lot lower. Cannot an area of equilibrium be found among those currently paying such high interest rates?

Ian Pearson: My hon. Friend is well aware of how many of these schemes there are and the details of how they operate, so he will know about the contractual obligations that are entered into and what scope there might be for renegotiating some of the existing contracts. We always look at this issue closely and discuss it widely with the PFI community, and I can certainly undertake to take away my hon. Friend's suggestions and examine them carefully.

Christopher Fraser (South-West Norfolk) (Con): Steps to address excessive risk-taking in the financial sector are necessary, but financial regulations must not be introduced at the expense of competitive business. What is the Chancellor doing to ensure that this principle is followed in the negotiations on the directive on alternative investment fund managers?

Mr. Darling: The hon. Gentleman will no doubt be aware that we are discussing that directive with the Commission and the presidency, which is held by Spain, because we have concerns about it. The hon. Gentleman is absolutely right that we must ensure that at one and the same time we have sufficient supervision and regulation to make the system safer while also remembering that that must operate alongside the ability of financial institutions to generate the finance upon which our economy and those throughout the world depend.

Mr. John Grogan (Selby) (Lab): What is the Treasury's attitude to proposals by the Campaign for Real Ale and the British Beer and Pub Association to the European Commission that countries should be allowed to levy a lower rate of duty on draught beer, thus helping pubs in the same way as a lower rate of duty on small brewers has helped them?

Sarah McCarthy-Fry: We recognise the difficulties facing small pubs and breweries. As I said earlier, restrictions operate under EU directives, and we are continuing to have discussions with our EU partners to see if we can make progress on this matter.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): The cost of London Crossrail is £16 billion, with extra money being found from central Government at Westminster, whereas the cost of the Glasgow air link would be a 40th of that. What will the Government who control the UK purse strings do? Will they take the opportunity to provide the extra money for the Glasgow air link?

Mr. Darling: Well, I have to say to the hon. Gentleman that it was the Scottish National party Government in Scotland who cancelled the Glasgow air link. Therefore, how on earth he has got the gall to stand up and somehow blame someone else really says it all about the nationalists. They cut the rail link; they have to live with the consequences.

Mr. Brooks Newmark (Braintree) (Con): Will the Minister please confirm the current level of public sector pension liabilities that the Government are hiding off balance sheet, both in absolute terms and as a percentage of GDP?

Mr. Byrne: As the hon. Gentleman will know, the figures for public pension liabilities, and the way in which they are financed, were set out in the long-term finance report that was presented to the House alongside the pre-Budget report.

Greg Mulholland (Leeds, North-West) (LD): Rugby league remains a game rooted in the community. It is not awash with money and players are not paid huge salaries, yet the Leeds Rhinos testimonial committee has told me that testimonials will now be taxed retrospectively. That is unacceptable; how can the Treasury change the rules, which will damage a sport and its players?

Mr. Timms: I am not aware of there having been any change of policy on this, but I will, of course, be very happy to look at the particular case the hon. Gentleman raises.

Mr. Peter Bone (Wellingborough) (Con): Is the Chancellor able to tell the House what the contribution of UK taxpayers to the European Union will be for this year, and how much more that will be than the contribution for last year?

Mr. Darling: I refer the hon. Gentleman to the figures in the pre-Budget report.

Points of Order

3.34 pm

Mr. Greg Hands (Hammersmith and Fulham) (Con): On a point of order, Mr. Speaker. You will recall that on 21 January an urgent question was answered by the Minister for Europe on exchange rate movements and their effect on the Foreign and Commonwealth Office budget following the announcement of a £170 million loss in that budget as a result of sterling's depreciation. In answer to a question from me about hedging, he said that the Foreign Secretary had written to the shadow Foreign Secretary on the subject. After further questioning from my hon. Friend the Member for Kettering (Mr. Hollobone), the Minister for Europe pledged to put a copy of that letter in the Library. I have to report to you, Mr. Speaker, that that letter has not appeared in the Library—and that according to the FCO, that is because the letter was never written. Can we ensure that the Minister for Europe comes to this House to explain not only why this has happened, but all the background to the effect of the depreciation of sterling, and the FCO's failure to hedge for it, on the FCO's budget?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. He has given to the House a very specific and detailed sequence of events and the House will have heard it; it is very clearly on the record. What I would say to him is that if a Minister promises that a letter will be placed in the Library, it should be placed in the Library, and that should be done without delay; what is promised should be delivered. I hope that the hon. Gentleman will understand if, beyond that, I simply say that I will look further into the matter, and that he has put his concerns very fairly and squarely on the record today.

Mr. David Drew (Stroud) (Lab/Co-op): On a point of order, Mr. Speaker. Yesterday we reached the end of the business on the Constitutional Reform and Governance Bill in Committee, and we then lost time that could have been spent having a vote on new clause 52. There was a problem with how the handover when the House came out of Committee was to be conducted. We were told that that was an unprecedented development. Will you look into what happened? The matter was raised in two points of order yesterday, but I hope that you will examine how it was not handled well and how we need to learn from that, because Back Benchers, who have very little access to time, could have had the opportunity to move something about which many of us felt strongly.

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. Although I did not receive advance notice of it—I make no complaint about that, I hasten to add—I had a sense, given the strength of the points of order made last night, that this matter might be raised. I hope, therefore, that it will be helpful to the House if I make a short statement about those events.

I certainly do understand there was a hiatus last night—with the business in Committee on the Constitutional Reform and Governance Bill finishing significantly earlier than expected—and the House was informally suspended for just five minutes. I am grateful, of course, to the Deputy Speakers and to members of the Chairmen's Panel for their flexibility in chairing proceedings, whatever happens. I cannot comment on what happened in Committee—the House will understand that I am precluded from doing so—but I have inquired about new clause 52. I understand that once new clauses 85 and 86 had been agreed to, that decision of the House overtook new clause 52 and so ruled out the possibility of a separate Division upon it. No doubt Report stage will give Back Benchers other opportunities. As for whether the time of the House was well spent yesterday—the fifth day on this Bill—the management of legislative time on the Floor of the House is a matter for the Government.

Compensation Act 2006 (Amendment)

Motion for leave to bring in a Bill (Standing Order No. 23)

3.38 pm

Jeremy Wright (Rugby and Kenilworth) (Con): I beg to move,

That leave be given to bring in a Bill to amend the Compensation Act 2006 to ensure that courts considering a claim of negligence or breach of statutory duty apply a presumption that defendants undertaking a desirable activity have satisfied the relevant standard of care; and for connected purposes.

Last month, a large part of Britain was brought almost to a standstill by significant snowfall and freezing conditions. Local authorities up and down the land ran short of salt and were unable to grit many roads—and in particular, many pavements. Those pavements became impassable, or even dangerous, resulting in slips and falls and keeping some of our most vulnerable citizens virtually prisoners in their homes.

To their great credit, some people decided to help their neighbours and the wider community by clearing not just their own driveways and garden paths but the pavement outside their houses or their children's schools. Others read their newspapers and decided not to. That was substantially because those newspapers quoted a variety of lawyers who said that if people were to clear the snow off their part of the pavement and then someone were to fall over on it, they might be sued for negligence. Inaction, the lawyers said, was the safer option—and so the pavements stayed uncleared, because the council could not do it and householders would not do it. That is the type of situation that the Bill seeks to address.

Of course, some say that there is not really a problem, because the courts are very unlikely to find the public-spirited domestic snow shoveller negligently liable for any injuries, in the absence of spectacular incompetence. They may be right, but I do not think that the public-spirited domestic snow shoveller feels reassured, and many such people, to be on the safe side, remain deterred from doing the right thing by a fear that the law would not be on their side. What matters in that deterrence is not just the likelihood of a negligence action succeeding, but the likelihood of a negligence action being brought in the first place, incurring all the worry and potential expense needed to defend it.

We now live in a Britain where such negligence actions look more likely than they have ever done. Large legal advertising budgets are spent on persuading us that "Where there's blame, there's a claim", and that there almost always is blame. We have been conditioned to believe that there is no such thing as an accident any more, only a negligent act for which somebody owes compensation, even if they were trying to be helpful at the time. So the safest thing is to leave the snow shovel in the shed. That is not a perception that this House should allow to persist.

Others say that there has been a problem, but that the passing of the Compensation Act 2006 has solved it. Section 1 of the Act states, broadly, that a court considering a claim for negligence or breach of statutory duty, in determining whether a defendant should have taken particular steps to meet a standard of care, may have regard to whether a requirement to take those steps might prevent or limit a desirable activity or discourage people from organising or taking part in it. In other words, the desirability of the activity the defendant was engaged in at the time of the alleged negligence, and the benefit to the community of what he or she was doing, constitute only one of the factors that the court may consider, and it is not obliged to consider that factor at all.

During the passage through the House of the Bill that became the Compensation Act, the Government made it clear that section 1 did not, in their view, represent a change in the law. It was instead a restatement of the existing law, intended to reassure those involved in what the Act described as "desirable activities" that in carrying out those activities, they should not fear negligence actions.

The Compensation Act has now been on the statute book for three years, and I am afraid that the national conversation on snow clearing that we have heard over the past few weeks demonstrates that the Act has not succeeded in that aim. I believe that the House must go further. In addressing the specific issue of a private citizen's involvement in clearing snow and ice from pavements, we could go much further and make that involvement compulsory, as is the case elsewhere in the world.

In the United States, for example, various municipal codes require homeowners and tenants to clear all snow from the sidewalk adjacent to their homes within a specified number of hours after it has fallen, or after sunrise, if the snow has fallen at night. In Germany, the rules are set out in the Satzung über die Verpflichtung zum Reinigen, Schneeräumen und Streuen auf Gehwegen, which, as you will immediately recognise, Mr. Speaker, is the "Statute concerning the obligation for the cleaning, removal of snow, and sanding on walkways". It sets out householders' responsibilities in considerable detail, including the substances to be used for gritting their part of the pavement, the maximum grain size thereof and the specified minimum width of the cleared area. The House will be relieved to know that I do not propose the same legislation here.

I propose that we amend section 1 of the 2006 Act so that when a court considers a claim of negligence against someone who has done something for the benefit of their community, it will not simply regard their public-spiritedness as one factor among many that it may or may not take into account. Instead, there should be a presumption that someone who has engaged in that sort of desirable activity has satisfied the relevant standard of care. The court would not be prevented from finding someone negligent if they had gone about that desirable activity in a wholly incompetent or irresponsible way, but it would start from the premise that those who act to help their community should get a very strong benefit of the doubt. I believe that that will succeed in sending to the public the message that section 1 of the 2006 Act seems to have failed to send.

In many ways, this is a modest Bill. It does not seek to affect what anyone does as part of their employment. It does not seek to compel anyone to act nobly, or to condemn those who do not. It seeks simply to remove an obstacle from the path of those people in our society who are willing to put themselves out for others. I do not doubt that the Bill's drafting could be improved if it were to make progress, but it is meant to send the

[Jeremy Wright]

message that if someone makes an effort to do the right thing, the law will stand behind them, not in their way. We need people to do their bit.

January 2010 will not be the last time we have heavy snow, or the last time local councils run out of grit when there is heavy snow, and we want people to feel able to help their neighbours when the authorities cannot. More generally, in times of snow, flood or any other form of adversity, our communities are at their best when people come together and help each other with individual acts of kindness and consideration. That is what strengthens society, and it is our job as legislators to encourage that—or at the very least not to discourage it. I believe that the Bill would support the kind of society that we all want to see, and I commend it to the House.

Question put and agreed to.

Ordered,

That Jeremy Wright, Mr. Mark Harper, Mrs. Maria Miller, Mr. David Lidington, Mr. Philip Hollobone, Rob Marris, Mrs Siân James, Tim Farron, John Hemming, Angela Watkinson, James Duddridge and Mr. Stephen Crabb present the Bill.

Jeremy Wright accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 5 March, and to be printed (Bill 58).

Flood and Water Management Bill

Consideration of Bill, as amended in the Public Bill Committee

New Clause 22

SOCIAL TARIFFS

'(1) An undertaker's charges scheme under section 143 of the Water Industry Act 1991 may include provision designed to reduce charges for individuals who would have difficulty paying in full.

(2) Subsection (1) includes schemes which have the effect of subsidisation by other persons.

(3) The Water Services Regulation Authority's powers in connection with the approval of schemes (and its other powers under the 1991 Act) are subject to subsections (1) and (2).

(4) The Minister must issue guidance in respect of subsections (1) and (2) which must, in particular, include factors to be taken into account in deciding whether one group of customers should subsidise another; for which purpose the Minister shall have regard to the need to balance the desirability of helping individuals who would have difficulty paying in full with the interests of other customers.

(5) Undertakers and the Authority shall have regard to any guidance issued by the Minister under subsection (4).

(6) "The Minister" means—

(a) in the case of an undertaker whose area is wholly or mainly in England, the Secretary of State, and

(b) in the case of an undertaker whose area is wholly or mainly in Wales, the Welsh Ministers.'.—*(Huw Irranca-Davies.)*

Brought up, and read the First time.

3.49 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): I beg to move, That the clause be read a Second time.

Mr. Speaker: With this it will be convenient to discuss the following: new clause 16—*Training and development of employees in water sector*—

'(1) The Water Industry Act 1991 (c.56) is amended as follows.

(2) After section 37(3) insert—

"(4) It shall be the duty of each water undertaker to ensure it maintains investment in the training and development of its workforce. Each undertaker shall be required by Ofwat to include in their twenty-five year strategic plan measures to ensure that sufficient investment is being made in training and development".'.

New clause 17—*Duties for sustainable management and use of water*—

'(1) The Water Industry Act 1991 is amended as follows.

(2) After section (2)3 insert—

"(3A) The Director of Ofwat shall carry out the duties imposed by this section in such a way as to:

(a) promote the sustainable management and use of water;

(b) ensure that the regulatory duty of Ofwat is structured to promote sustainability in the water management supply chain, paying particular attention to innovation in treatment processes, energy efficiency, job security, leakage control and water efficiency activities, including an obligation to promote a more long-term (twenty years or more) approach by water companies to their investment programmes;

(c) promote skills in the water industry, by publishing a skills strategy; and

(d) promote employment in the water industry through an annual report to Ministers on the number of jobs in the sector and in the supply chain.".

New clause 18—*Role of the Water Services Regulation Authority (OFWAT)*—

'(1) The Water Industry Act 1991 (c. 56), is amended as follows.

(2) After section 2A(d) add—

"(e) to promote—

(i) sustainable water management;

(ii) innovative treatment processes;

(iii) energy and water efficiency;

(iv) job security;

(v) leakage control;

(vi) skills in the water industry; and

(vii) employment in the water industry.".

Amendment 22, in clause 43, page 28, line 37, at end add—

'(6) An undertaker's charges scheme devised under subsection (1) must be overseen by the Water Services Regulation Authority (Ofwat).'.

Huw Irranca-Davies: May I take this opportunity, now that we have come out of Committee, to thank the Opposition Front-Bench teams and Back Benchers on the Committee, as well as others who have taken a keen interest in the Bill? What was already a good Bill was improved in Committee—and I am sure that it will be an exemplary Bill when it emerges from our deliberations today and goes on to the other place.

This group of amendments relates to the role and responsibilities of Ofwat and the water and sewerage undertakers, and to the design of those undertakers' schemes of charges. New clause 22 has been tabled in response to concerns raised in Committee about the affordability of water and sewerage bills for some households. The Government are bringing it forward to enable water and sewerage companies to include social tariffs for groups of customers who have difficulty in paying their bills.

Such social tariffs may introduce new cross-subsidies between groups of customers. Ofwat, the independent economic regulator, may not reject charges schemes on that basis out of hand. It still has a crucial role in the process—to ensure that tariffs are in the interests of customers—but it will have to be able to show that any action that it takes in approving or rejecting a charges scheme does not undermine the general principle behind the new clause.

Lembit Öpik (Montgomeryshire) (LD): I have one question on that specific point. I applaud the Government for taking on board the feedback that I understand was given in Committee, but I am concerned that, at least in theory, Ofwat could still ignore the attempts by private water companies to provide concessionary rates for customers who are less well off. How can the Minister assure the House that it will not intervene when to do so would be socially unacceptable?

Huw Irranca-Davies: There are safeguards in the new clause, which I will come to in a moment. They include the requirement that Ofwat consult its wider consumer base, because we do not want to solve one problem only to create another. The new clause makes it clear that Ofwat must play a positive role in the charges schemes being brought forward and then work with stakeholders. I have got no further than my opening remarks, and I hope that the hon. Gentleman will allow me to explain a little more.

Under existing legislation, Ofwat has a duty to ensure that charges schemes are not

"unduly preferential or unduly discriminatory".

The UK Government and Welsh Assembly Government must provide in legislation that social tariffs introducing new cross-subsidies are lawful. We are bringing this new clause forward for that reason, as we believe that it gives Ofwat the legal assurance that it needs to allow companies to bring forward social tariffs.

By way of response to the hon. Member for Montgomeryshire (Lembit Öpik), I can tell him that Ofwat made it clear in evidence to the Committee that it felt that there was not sufficient legal clarity to compel it to consider that approach. This new clause is designed to provide just that clarity; I believe that Ofwat will be reassured in that regard.

As the House is aware, the Walker review of charging for household water and sewerage services published its final report in December. It highlighted the plight of customers who face difficulty meeting their bills because the increase in water metering in some areas can exacerbate the affordability problem for low-income families who had previously been helped by a cross-subsidy inherent in a charging system based largely on a property's rateable value.

We are considering Anna Walker's final recommendations carefully, ahead of a full public consultation. One of her recommendations involves possible changes to the vulnerable groups tariff, but we agree with the Committee's conclusion, prompted by the hon. Member for Cheltenham (Martin Horwood), that it is timely to enable companies to include social tariffs that can reflect local circumstances. Those social tariffs could complement any tariffs that we might want to provide for nationally in secondary legislation in the future.

Lembit Öpik: It would be remiss of me not to praise my hon. Friend the Member for Cheltenham (Martin Horwood) for his contribution in Committee, and I am grateful for that clarification by the Minister. For the sake of the record, however, will he confirm that when private companies seek to provide more generous terms for less well-off customers, the default position for Ofwat is that it will be obliging? Will he make it clear that it will not seek a technical or specific loophole to prevent those more generous terms from being put in place?

Huw Irranca-Davies: I do confirm that that will indeed be Ofwat's position; the hon. Gentleman is right to raise the matter. The new clause makes Ofwat's legal position clear, and also puts in place a positive expectation in respect of social tariff schemes. Ofwat must work with the wider consumer base to make sure that the schemes are appropriate, and must not reject them out of hand. The difficulty that Ofwat used to face was quite understandable: even with the existing guidance, it did not feel that there was sufficient clarity in the law.

Mr. Elliot Morley (Scunthorpe) (Lab) *rose*—

Mr. John Redwood (Wokingham) (Con) *rose*—

Huw Irranca-Davies: I shall give way first to my right hon. Friend the Member for Scunthorpe (Mr. Morley), and then to the right hon. Member for Wokingham (Mr. Redwood).

Mr. Morley: I too welcome the new clause, because we need to clarify social tariffs on water use. Indeed, we have a social tariff structure on energy use. My hon. Friend will agree that a lot of work has been done on this subject through reports that he has commissioned and by bodies such as the Consumer Council for Water, but the public need to be fully consulted, so I would be grateful for some assurances about that.

Huw Irranca-Davies: Entirely. That is exactly why we have introduced the new clause in its current form. In effect, we are taking a power that, although tightly drafted, still allows us to go out to full consultation, bring forward the underpinning regulations and guidance and make them fit for purpose. We do not want to pre-empt Anna Walker's package of proposals, as I made clear in Committee, but we might not have this opportunity again for a couple of years—who knows? In which case, we should introduce the measures now, so that we can move ahead.

Mr. Redwood: In appraising the proposal, it is crucial that we know how the Minister defines people "who would have difficulty paying". Cross-subsidy might be involved, and we want to avoid the pretty poor cross-subsidising the even poorer, so it is important that we know where he is minded to draw the line.

Huw Irranca-Davies: The right hon. Gentleman makes a very good point, but that is absolutely why the Bill should not include specific definitions of who does or does not fall into that category. That is exactly the purpose of going out to proper consultation—so that those terms can be defined and we can accurately reflect not only how those individuals or households are defined, but how such definitions in a local area tie in with complementary national schemes.

The new clause would also enable the Secretary of State and Welsh Assembly Ministers to issue guidance to undertakers. That would set out which groups of customers we might expect to benefit from social tariffs—the very point that the right hon. Gentleman made. It would also set out the need for detailed impact assessments and consultation with customers and the Consumer Council for Water to determine what might be an acceptable cross-subsidy. We expect Ofwat to ensure that schemes are consistent with the guidance that we will issue.

New clause 16 would require each water undertaker to invest in the training and development of its work force, and to include that in its 25-year strategic plan. There is a laudable intention behind that proposed change, and I shall come to it in a moment. New clause 17 would give Ofwat a duty to promote the sustainable management and use of water, and to promote sustainability in the water management supply chain. It would also require Ofwat to publish a skills strategy and an annual report to Ministers on employment in the water industry.

New clause 18 would introduce a number of additional primary duties for the Secretary of State—or, as the case may be, Ofwat—when regulating the water industry. New clauses 16 to 18 have laudable intentions, but I said in Committee that they were unnecessary, and I shall expand on that, because it is worth elucidating on the Floor of the House the reasons why that is so.

I said in Committee that when we take all those aspects into account, a review of Ofwat in some form is justified, and I shall consider how best to take that forward. I made that commitment in Committee, and I stand by it. In its inquiry last year into the 2009 price review, or PR09, the Environment, Food and Rural Affairs Committee recommended a fundamental review of Ofwat's role—and I neglected to thank the Committee for its work on all aspects of the Bill. Such a review would, of course, need to look at social, environmental and economic considerations across the board, not just the themes outlined in those three new clauses. There is a strong justification for such a review.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): Will my hon. Friend consider whether that review might cover mergers? Water companies are not currently allowed to merge, but they might be, and although there can be problems with mergers, some could bring significant benefits to consumers.

Huw Irranca-Davies: That is a helpful intervention, and I take my hon. Friend's point on board. In defining the review's terms of reference, it will be important not only to make them narrow, but to ensure that they encompass the changing situation in the water industry. We might well consider the aspect to which my hon. Friend refers. I cannot give her a cast-iron guarantee, but if we are going to think about a fundamental review, let us think about a fundamental review in all its aspects.

4 pm

As I have said, there is a strong justification for carrying out a review. When the water industry was first privatised, the role of the economic regulator was primarily to ensure that companies fulfilled their functions and extracted efficiencies from the industry. However, social and environmental issues such as climate change and the affordability of water have become much more important in the past 20 years, and water companies face new challenges over the sustainability of water supplies. That said, I hope that hon. Members will accept that the primary responsibility for work force planning and development sits with the water companies. As part of its 2009 review of water price limits, Ofwat required companies to develop a 25-year long-term strategic plan called a strategic direction statement, as well as a more detailed five-year business plan that included specific investment proposals for 2010-15. For the first time ever, that puts the period 2010-15 into a much longer-term context.

The Government also have a role in supporting companies in looking to the long term. In particular, Energy and Utility Skills, the sector skills council, works with the water companies to identify the skills needs of the sector and to develop a strategic approach to addressing any gaps. It also develops vocational qualifications with water companies, and relevant skill-based training programmes with training providers. In July 2009, as part of the Government's re-licensing programme of all 25 sector skills councils, it was announced that EU Skills was not only successful in being re-licensed but judged to be "outstanding". However, it was also noted

by the National Audit Office that engagement with the water sector was not as strong as that with the gas and power sectors, which also fall within EU Skills' remit. In my view, it is crucial that all parties work together to ensure that the water sector is able to meet future challenges. I urge water companies actively to work together with EU Skills—I will play my part as well—to identify where the skill gaps are and to work up strategies to address any shortfalls.

In relation to putting new duties and responsibilities on to Ofwat, I emphasise that Ofwat's current duties already require it to contribute to sustainable development. The new duties proposed in new clauses 16 to 18, such as those on investment and training, employment, job security and skills, leakage control, and the sustainable management and use of water, would sit alongside Ofwat's other primary duties. While we recognise the importance of all the issues identified in the new clauses, not least skills and training, it would not be right for these topical issues to be placed alongside existing primary duties involving high-level and strategic concerns about protecting consumers and ensuring that companies carry out their statutory functions. Nor should they be placed above the secondary duties that encompass much broader aspects of water regulation, such as sustainable development and better regulation in water efficiency. For example, it is unthinkable that Ofwat would not consider issues surrounding sustainable water management, or energy and water efficiency and leakage control, when considering its sustainable development duty. Similarly, work force issues should be taken into account when considering duties involving efficiency and meeting statutory obligations.

I also note that Ministers already have the power to issue social and environmental guidance to Ofwat to underline the importance of the types of issues identified in new clauses 16, 17 and 18. Guidance was issued by the Department for Environment, Food and Rural Affairs in September 2008 and by the Welsh Assembly Government in February 2009, including guidance on sustainable development and on environmental policies such as water efficiency, water quality and climate change.

Linda Gilroy: I thank my hon. Friend for being so generous in giving way. He was kind enough to attend a reception about innovation in the water industry. Is he confident that there are sufficient powers available to the regulator and to the Secretary of State to direct the regulator to ensure that there is sufficient innovation in the water industry?

Huw Irranca-Davies: Indeed there are, but that should be considered as part of the review of Ofwat's powers and duties. We also have to make good not only on Anna Walker's report but on what might come out of the Cave report. There is unfinished business in driving forward innovation in relation not only to efficiency but to tackling the carbon footprint of the water industry and so on. My hon. Friend makes a valid point.

As I said, I believe that there is a role for Government. I have recently met unions such as GMB, Unison and others, and of course EU Skills, the sector skills council. There is merit in asking whether the guidance should cover the Government's expectations for the training and development of the work force in the water sector. I can tell the House that I intend to meet my hon. Friend the Minister for Further Education, Skills, Apprenticeships and Consumer Affairs, a near neighbour of mine in south Wales, to discuss the matter and consider what further steps we might take to address the skills gap in the water sector.

Lembit Öpik: I thank the Minister for his generosity in giving way; it just so happens that the three key points that I want to make are on this group.

The Minister rightly talked about the importance of having a holistic or strategic approach to sustainability and water management. It is clear to me that in Montgomeryshire, where the source of the River Severn lies, there is an interrelation between Ofwat's responsibilities and those of the Environment Agency, and sometimes there can be a conflict. For example, the level of water needed in the reservoirs to ensure that we do not get a drought in the summer can cause overflow in the winter. Does the Minister have a perspective on that, or would he like to write to me to explain how the Bill will ensure that there is a holistic approach to the potentially conflicting interests and needs of Ofwat and the Environment Agency?

Huw Irranca-Davies: I do not think I need to write to the hon. Gentleman, because I can happily confirm that one of the prime aims behind the Bill is the clarification of responsibilities, both for the EA as the strategic national lead and for upper-tier or unitary local authorities, working hand in hand with internal drainage boards and those on the ground in lower-tier authorities, so that they can deliver local leadership and accountability on flood risk management. Those organisations have duties to work with each other and with all the other authorities—duties that are embedded as a prominent part of the Bill.

Amendment 22 to clause 43, on concessionary schemes for surface water drainage charges for community groups, would require an undertaker's charges scheme to be overseen by Ofwat. The Water Industry Act 1991 already requires water and sewerage undertakers in England and Wales to submit their annual charges schemes to Ofwat for its approval, and that holds true regardless of whether they include a concessionary scheme for community groups. Including a provision in clause 43 stating that the charges scheme must be overseen by Ofwat would simply add ambiguity, as it is not exactly clear what Ofwat is being asked to oversee, or how that would differ from the power that Ofwat already has to approve undertakers' charges schemes.

That said, I appreciate that hon. Members of all parties want to be confident that community groups will not face unaffordable water bills as a result of site area charging for surface water drainage. I also recognise that there is a clear role and responsibility for Ofwat in ensuring that that is the case. The issue will therefore be addressed in the Secretary of State's guidance to undertakers.

Clause 43(6) empowers the Secretary of State and Welsh Ministers to issue guidance to undertakers, to which they would be required to have regard. A draft of that guidance, which will be subject to full public consultation, was made available in Committee. It set out in quite some detail the Government's thinking on issues such as the need for concessionary schemes, which groups should benefit and what counts as an affordable charge for community groups. I bring to hon. Members' attention paragraph 3.1 of the draft guidance, which states:

"The Government is clear that it does not want to see community groups facing unaffordable increases in their water bills as a result

[Huw Irranca-Davies]

of site area charging for surface water drainage. We expect undertakers to ensure that this is the case and Ofwat will ensure that undertakers have had regard to this guidance in its approval of individual charges schemes."

That makes clear the important role that Ofwat will have both in approving individual charges schemes, as it does now, and in policing the Government's guidance to ensure that community groups will not face unaffordable surface water drainage charges.

Mike Penning (Hemel Hempstead) (Con): May I be assured, from what the Minister has said, that groups in my constituency are safe, particularly scout groups, which are very worried about whether they can survive when the charges go up?

Huw Irranca-Davies: Yes, the hon. Gentleman absolutely can have that assurance. We hoped that we would be able to ensure that without legislation, because we already had some guidance in place, but the Bill will provide clarity that schemes need to be worked up across the consumer base. I had an interesting discussion with Church groups about whether we should protect churches to the extent that parishioners come in and say, "Thanks very much, but my bill's just gone up £10 or £20 to save you." We need to get the balance right, but the joy of the scheme is that it will have proper local consultation, with proper input from the Consumer Council for Water, local groups and others, so that it is applicable to the local environment. That is a clear responsibility.

Hon. Members can take that assurance back to the churches, scout groups, community halls and others, and tell those organisations to look at the guidance, which is out for consultation, and get their feedback to the Government. I am confident that that sets the way forward so that such groups, which often live hand to mouth, do not use their money and fundraising to pay for surface water charging rather than other things, such as taking scouts on a trip.

To sum up, the objectives of new clauses 16, 17 and 18 can clearly already be achieved within the existing framework. Given the clear commitments I have made, I hope hon. Members will not press them to a Division. I also hope that the hon. Member for Cheltenham will not press amendment 22 to a Division, given that Ofwat already has the power to approve charges schemes, and in view of the proposals in the Secretary of State's draft guidance on concessionary schemes for community groups.

Miss Anne McIntosh (Vale of York) (Con): I echo the Minister's comments—I am delighted to be at the remaining stages of the Bill, and I hope we can reflect the co-operation and good humour that was enjoyed in Committee.

New clause 18 is consequential on a number of amendments to which we will speak later. We had some sympathy with new clause 17, in the name of the hon. Member for Stroud (Mr. Drew), which is similar to our proposal, but we believe that our expression and script is clearer.

Mr. David Drew (Stroud) (Lab/Co-op): Surely not!

Miss McIntosh: I hope the hon. Gentleman agrees.

Basically, as the Minister said, the Select Committee on Environment, Food and Rural Affairs said in its report that we would need to revisit the regulatory framework for a number of issues that arose in Committee. In new clause 18, we are seeking to add a number of responsibilities that we believe should be specified in the Water Industry Act 1991 to reflect the changes that the Bill makes. Currently, those responsibilities are omitted from the Bill and the Act. I hope that the Minister and the House look favourably on those remarks.

The Minister said that Government new clause 22 was an opportunity to give Ofwat a role in approving or rejecting the charging scheme, and ensuring that decisions are commensurate with the guidance to which he referred—I should state that that guidance was drawn to the Committee's attention on the penultimate day of our proceedings. What consultation has there been on that guidance? Previous guidance was heavily consulted on. Will he ensure that decisions will be taken with that guidance in mind? What direct consultation has there been with Ofwat?

My hon. Friend the Member for Arundel and South Downs (Nick Herbert), the shadow Secretary of State, and I have mentioned on a number of occasions on public platforms that we have serious concerns about affordability. We believe that regard should be had to the Walker report. If it is the wish of the British people that there should be a Conservative Government, we would be committed to introducing a White Paper, as the Minister is aware, to consider both the Walker report and the Cave review in the round—particularly the former—as regards metering and affordability.

We are a little dismayed that the Government have lifted one specific concern about social tariffs and affordability—we recognise that it is a very real concern—because it looks suspiciously like a piecemeal approach. Affordability is best seen in the context of areas such as the south-west, where 40 per cent. of water consumers are on low incomes, spending more than 3 per cent. of their disposable income on water, which is the general classification for water poverty. We wish to be as vigilant about water poverty as we are about fuel and energy poverty. I remind the Minister that while the Energy Bill includes social tariffs, with which we also have some sympathy, the energy sector had a two-year consultation under a proper framework set out in legislation. It was transparent and equitable, and all parties were fully consulted.

4.15 pm

We are also interested in the position of the Liberal Democrats, because they have flatly stated that they are against any form of stealth tax, and we are also on the record as opposing stealth taxes. However, new clause 22 will leave open the possibility of, for example, a hotel tax that is a real blight on hotels, especially in the south-west, which has the greatest problems of affordability.

I wish to press the Minister on why the Government have picked on this aspect of social tariffs when there are many others. They had the opportunity to introduce a fuller water Bill. Indeed, it was not until the Opposition pressed the issue that the Government said that they would introduce a broader Bill, but they have taken many aspects of the draft Bill out at this stage. The Select Committee clearly concluded that they were right to do so, because, as we have said, we need to see a

White Paper and a water Bill, along the same lines as the previous Conservative Government's legislation, which set the framework for the next 20 years. What are the Government thinking and why have they cherry-picked this issue out of the Walker report, the Cave report and the price review 2009? The Select Committee's conclusions also considered a broader role for Ofwat. Our concern is that this could lead to a bad law, the impact of which has not been properly assessed.

Mr. Redwood: Has my hon. Friend considered how the introduction of proper competition into the water industry, for retail as well as for large customers, would solve many of the problems and probably bring prices down without a Bill?

Miss McIntosh: I am grateful to my right hon. Friend for that comment. We are doing some serious work in that regard. We have had some meaningful discussions with the authors of the two reports. We need to take a longer-term view, and that would be part and parcel of the White Paper, but it certainly could have a positive impact on bills.

New clause 22(2) clearly states that subsection (1)

"includes schemes which have the effect of subsidisation by other persons."

We know that that has the particular legal meaning of "person" and means companies as opposed to individuals and households. Why has the Minister excluded reference to households? He clearly set out that the Government intend a form of cross-subsidisation, but why open that only to companies? What level of advanced consultation has he had with companies about the fact that businesses might be seen to be subsidising individual households having difficulties paying? If the new clause had retained the reference to individuals as opposed to legal persons, the domestic households sector would have been restricted in that regard.

Under new clause 22, as drafted, businesses will be caught by the proposals to subsidise individuals having difficulty paying their bills. As I mentioned, that might be viewed as a stealth tax on business—it could be so used—and, in the current economic climate, could lead to a financial burden on business. What were the Government's considerations in that regard? Is the Minister really considering doing what other European Union countries have done—imposing an eco-tax on hotels? What is their thinking on that?

As I mentioned, we would have been more persuaded had the Minister gone down the route of the Energy Bill, which gives enabling powers to allow suppliers to provide social price support. Those proposals have been extensively researched and developed over time, and I understand that significant consultations with the parties involved have taken place and that the proposals in the Energy Bill have broad support across the sector. However, my concern is that, in introducing new clause 22 at this stage—perhaps pre-empting a subsequent White Paper and a broader water Bill—the necessary consultations have not taken place. I understand that we are positioned between two extremes, but would he be good enough to tell us the Government's thinking on that.

I want to press the Minister further. There are significant differences—more than innuendoes—between new clause 22 and the language in clause 43 on community groups. In new clause 22(3), Ofwat is given specific duties to allow concessionary schemes for domestic properties. Clause 43 does not do that, and instead leaves it to guidance for Ofwat to be given specific authority. There seems to be a difference there. Will he explain his thinking behind that? New clause 22(4) states that Ministers must issue guidance relative to subsections (1) and (2), whereas clause 43 states that only undertakers

"shall have regard to any guidance issued by"

Ministers, which appears to remove any compulsion for guidance to be produced. Is that an intended difference? Will he explain the Government's intention in that regard? Finally, new clause 22(5) states that undertakers and the authority "shall have regard to" the guidance, whereas in clause 43, only undertakers, and not Ofwat, are told to have regard to the guidance. Having achieved what we have achieved in clause 43, we would like to be satisfied that new clause 22 will not result in any consequential differences.

I hope that the Minister and the House will look favourably on new clause 18, because we believe that it is appropriate to set out what the primary duties on the Secretary of State and Ofwat should be. As I said, there are significant consequences for later amendments. We have sympathy with the Government's new clause 22, but obviously we would like some satisfaction regarding our concerns. In the current credit crunch and economic crisis, the issue of affordability needs to be addressed. However, we would be interested to know why the particular issue in new clause 22 has been lifted from the other significant issues—my right hon. Friend the Member for Wokingham (Mr. Redwood) identified them—that were taken out of the earlier draft Bill.

Martin Horwood (Cheltenham) (LD): I start by echoing the remarks of the Minister and the hon. Member for Vale of York (Miss McIntosh) about the positive atmosphere that prevailed in Committee. I share their desire to ensure that that positive and co-operative attitude continues.

New clause 22 is certainly a positive place to start and is broadly based on the ideas behind our new clause 1 in Committee. We have been pleased to add our names to new clause 22 from the Liberal Democrat Benches, in that it seeks to do what we intended with our new clause. At a time of recession, when variable energy prices, potentially rising council tax bills and other things are hitting some of the most vulnerable and poorest citizens in our communities, it is only right that we should pay attention to their needs. We should also pay heed to the fact that the impact assessment on the adoption of private drains has suggested that water bills will have to rise. The Walker review highlighted the issue of metering and the disproportionate impact that it could have on some of our poorest citizens, who are the poorest water customers. It is therefore urgent that the matter be put beyond doubt, because it is possible that the numbers in so-called water poverty will rise.

Water companies have struggled to introduce social tariffs, and that includes even Dwr Cymru and Thames Water, which have tried to do so over many years. The kindest interpretation of Ofwat's response to many of their approaches to try to introduce social tariffs is that it has struggled with the terms of its remit—I will put it no stronger than that. In answer to the question that the hon. Member for Vale of York asked, the reason why we need the proposal in legislation, and why it is a little special compared with the broad range of recommendations

[Martin Horwood]

in the Walker review, is that not that many of Anna Walker's recommendations require primary legislation in quite the same way.

There is clearly a problem, and it is one that is perceived to be connected with the general remit under which Ofwat operates. We heard in our evidence session about the need that had been identified to put the matter beyond doubt in primary legislation. There are not that many recommendations in the Walker review that require primary legislation, and there is certainly not general support for that primary legislation should it derail the Bill before a general election. We also share a desire to get the Bill through before the general election, and new clause 22 seems a good opportunity to tackle the issue in a way that will have general support.

New clause 22 puts the legality of social tariffs beyond doubt. The Secretary of State has drawn the new clause widely. It is not prescriptive and does not pre-empt the consultation that will result from the Walker review, but it does address Walker's call for social tariffs to be permitted. The Conservative Front-Bench team did not feel able to support our amendment in Committee to allow, in effect, lower water bills for the poorest customers, and the hon. Member for Vale of York has made some slightly grudging comments this afternoon. I do not think that social tariffs for poor water customers are likely to be confused with stealth taxes. I hope that she will feel able to allow the Conservative party to go a little further this evening and support this important new clause. The central issue is fairness to some of our most vulnerable citizens, and in particular for elderly citizens on fixed incomes for whom such bills are unavoidable, who find it difficult to respond to rising bills.

Mr. Redwood: The issue is the level of income, because I cannot persuade my fairly poor constituents to have a big increase in order to pay for somebody else.

Martin Horwood: The right hon. Gentleman makes a fair point. Some of the figures put forward by Thames Water, which I can share with him another time, suggest that the number affected is a small percentage of the overall total. That means that if the money was to be recovered through other people's water bills, the increase for everybody else would be miniscule in practice, so the slightly poor would not have to pay an undue amount in order to subsidise the very poor. However, he makes a fair point. The key issue with new clause 22 is the need to put the legality of social tariffs beyond doubt. While we have the Bill before us—what the Minister said is quite true: we might not see another water Bill for some years—new clause 22 is a timely amendment.

New clauses 16 and 17 cover issues that we discussed in Committee and on which the hon. Member for Stroud (Mr. Drew) had Liberal Democrat support. The new clauses would ensure that the management of flood risk and water management are sustainable not only in environmental terms, but in social and economic terms, and that we have the skill sets to maintain the duties that we are creating in the Bill.

These and many other amendments have dealt with Ofwat's remit. I note and welcome the Minister's acknowledgement that Ofwat's remit needs comprehensive re-examination. That view is shared by all political parties. Whatever the outcome of the general election, it will be an important issue for the new Government to address. Time is not on our side, so while we have the Bill before us, it seems sensible to make these amendments. I hope the Government will accept them, despite the Minister's comments so far.

4.30pm

In the growing spirit of cross-party solidarity, I welcome new clause 18. We have argued consistently for the reform of Ofwat's remit, particularly to reflect some of the issues that are addressed in the new clause, which include sustainability, water and energy efficiency, and leakage control not simply as a function of the economics of water companies, but as a desirable end in itself. That is a helpful amendment and again we are happy to support it.

On our amendment 22, I know that hon. Members in all parts of the House were concerned about the so-called rain tax afflicting groups such as churches and scout organisations, and that everybody wanted the problem resolved. The Bill has gone a long way towards that by introducing concessionary charging schemes for community groups. The discussion was helpful in raising the issue of social tariffs generally and making it clear that we could bring those into the Bill as a whole, but as the hon. Member for Vale of York said, it has highlighted an anomaly between two sets of clauses. In new clause 22, water companies must have regard to ministerial guidance, and subsection (5) subjects Ofwat to the same regime, yet in clause 43, which refers to the concessionary charging schemes for community organisations, there is no mention of Ofwat at all.

That has raised legitimate concerns from some of the organisations affected by the so-called rain tax issue. The Scout Association wrote to me:

> "Ofwat is specified as having oversight of the process, but the Scouts believe that Ofwat needs clear guidance on the face of the bill from Government as to its oversight of concessionary schemes. Ofwat's track record in interpreting existing guidance, and its inability to conduct a regulatory impact assessment before recommending site-area charging, has engendered significant mistrust in their regulatory competence"—

the Scout Association's words, not mine. It goes on:

> "Therefore, we believe that either through passing this amendment, or giving other assurances at Report Stage, the Government ought to let community groups know that Ofwat will be in charge of administering all concessionary schemes as a matter of course."

I note the Minister's comments. He said that there was a need for confidence in site area charging and that there was a clear responsibility on undertakers to pay attention to the need for concessionary schemes, but his comments still seem to fall short of an explicit reassurance that that will be part and parcel of Ofwat's role, and that we will not find that ministerial guidance is not quite explicit enough, and that water companies try to introduce a concessionary scheme explicitly to address the needs of community groups but find Ofwat quibbling about it or standing in their way. We are close to having that assurance, and I am sure the Minister can find a form of words that might satisfy us. We will take his word on it—I am tempted to use the phrase, "Scout's honour." If he finds the right form of words, we will not press amendment 22 to a Division.

Mr. Drew: I am delighted to speak to new clauses 16 and 17. In the spirit prevailing in the House today, I commend my hon. Friend the Minister on a near-exemplary performance and his willingness to listen, respond and improve the Bill. The House heard it from me first.

I do not intend to spend long dealing with new clause 22—or, indeed, amendment 22—but I would like to point out that the new clause exemplifies the Minister's willingness to engage in debate. Some of us were tempted by the Liberal Democrat amendment moved in Committee, but common sense prevailed and we did not have a vote; the Minister was tasked to go away and think about how to introduce individual social tariffs as well as collective ones for voluntary organisations and so forth. That was the nub of the problem. It was not possible to say that we would treat fairly organisations such as the scouts, important though they are, but have no willingness to understand the problems of individual customers. We are talking about some form of cross-subsidisation. As I said in Committee, we have to separate out those who cannot pay from those who will not pay—a growing problem in this industry.

I hear what the hon. Member for Cheltenham (Martin Horwood) says about amendment 22, and I am pleased that he is not going to press it to a vote, but I seek further clarification of whether there has been some narrowing of the methodology that Ofwat will be asked to operate in dealing with cases referred to it where organisations feel that the water company they are paying is being unduly harsh in the charges imposed on them.

I hope that the Minister will clarify the position in his summing-up as we have to nail this issue. He has done invaluable work on a thorny problem, but I hope that we can now move on and be absolutely clear that there is a mechanism whereby if a particular community group feels that it is being unfairly treated, it will have the wherewithal to go to Ofwat, complain and get some action against the relevant water company, particularly given the strong differential between different water companies, as I mentioned in Committee. If the Severn Trent model had been more widely followed, for example, some of the problems that we saw with United Utilities could have been overcome far more quickly.

Although they have tabled at this time, new clauses 16 and 17 in no way move away from our discussions in Committee. However, new clause 16 lays down clearly a duty on the industry to provide skills and training for those who work in it. If I remember correctly, I heard the Minister rightly say that the water industry is not as advanced as the energy or other utility industries in respect of what it already does in that regard. New clause 16 is effectively designed to inform the regulator that water companies will have to demonstrate in detail how they are investing in the training and development of their employees.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I am very much in favour of the hon. Gentleman's argument, but if we take Welsh Water, for instance, which I believe has a good structure, it has hardly any employees at all, as nearly all its work is contracted out. How will his proposals work out for an organisation like Welsh Water?

Mr. Drew: That is a particular problem. We have seen contractualisation in all manner of industries, and I always think that the greatest loss is the human capital. What training is going on, who is responsible for it and, if it is not going on, what can be done about it, are issues that are not easy to determine. Given that I am unlikely to push the new clauses to a vote, I hope the Minister has noted that we want clarification of how the arrangements will work in practice. The water industry is a people-oriented industry, and we shall all be the losers if we do not invest in the people who will keep the water flowing.

I should like the water companies to give the regulator details of their total annual investment in the training and development of their employees, details of compulsory employee training and development plans for each successive five-year regulatory period—clearly a long period will be involved—and details of consultation and negotiation between the undertaker and employee representatives on training and work force development strategies. I make no apology for saying that those proposals are a result of my links with Unison, the major trade union involved in the industry. Let me pass on Unison's thanks to the Minister, who met its representatives, allayed their fear that the Bill would make no provision for training and another opportunity would be lost in an area that had been sadly neglected, and agreed that we must be much clearer about the skills and development programmes that we intend to provide.

Government, the water industry, the employees and the regulator must sing from the same song sheet if we are to have an industry that is fit for the 21st century rather than one that is somewhat historic, both in terms of the infrastructure that we are trying to upgrade and in terms of its failure to invest in people.

New clause 17 also concerns skills training. I was a wee bit disappointed that the hon. Member for Vale of York (Miss McIntosh) felt that her new clause was so superior to mine that I ought to fall on my sword and accept failure. However, I tabled my new clause for a specific reason. I have been talking to the Environmental Industries Commission. As well as containing some nice words about sustainability and the need for a programmed approach to our ability to organise the industry, the new clause has a specific bite to which I want the Minister to respond.

There happens to be an ABB plant in my constituency which produces flow meters. For many years, those at the plant have been telling me that the problem with the water industry and its five-year plans—the beloved "AMP": no one has yet been able to explain to me what that acronym stands for, but I am sure that it stands for something meaningful—is that we may end up with feast and famine or, dare I say, boom and bust.

During the years in which the industry has agreement on the new expenditure programmes, the supplier companies will be incredibly busy and have to break every record in responding to the demand that they find so difficult to meet. Towards the end of the five-year period, such will be the pace at which the industry has had to proceed that everyone will start waiting for the next five-year structured approach by Ofwat, and there will be very little work to go around.

The aim of new clause 17 is to try to level out some of the activity, given that it is so unbalanced and leads to all manner of problems. As anyone who knows about the water industry will agree, that is entirely counter-productive in the long run. Therefore, I am looking for some assurances from my hon. Friend the Minister. We must consider how we can begin to deal with the problems of the vicious cycle of boom and bust to ensure that the industry can invest over the longer term.

[Mr. Drew]

It should not think in terms of shorter five-year periods, which is, dare I say it, a drop in the ocean when we consider the history of how we have provided for the supply of water.

We should consider how we can level out investment patterns to ensure that investment is not entirely dependent on the encouragement of the regulatory system; that we get proper operational efficiency within the idea of sustainability, which is where we link in with employee training and development; and that we make the best use of those assets. We will have situations where not just the supply chain but the industry itself will have surplus assets because they have worked so hard to get ahead of the game, but those will not necessarily be employed in the most purposeful way.

4.45 pm

I hope that the Minister hears what I say. There is a problem in the industry and we need to rectify it. I hope that we can use the Bill at least to have a debate on that matter. We may not need to have such a measure in primary legislation, but we need to recognise the problem and try to do something about it.

Mr. Redwood: I rise to discuss Government new clause 22. As I have said in interventions, we all feel well disposed and warm towards the aim of more affordable water for people on lower incomes, but I find it difficult to welcome the way in which the Government propose to do that, as we need some indication of the detail that needs to follow to make this a sensible and workable scheme.

The best way to make water more affordable for those on low incomes and for those on any kind of income is to introduce competition and get the costs of producing the water down. I believe that it would probably cut the cost by about a fifth if we introduced comprehensive water competition and used the pipe network as a common carrier. It is easy to do. It has already been done in the case of gas and other fluids requiring access to pipelines. There is no natural monopoly in the provision of water, the collection of water or the delivery of water. If there is any monopoly element in the provision of pipes, it can be dealt with quite easily by a proper common-carrier regulated system.

However, those who are introducing the new clause need to give us more indication of how poor people have to be to qualify under it. It seems to be a cross-subsidy scheme. As the Minister has been gracious enough to accept, if the very poor are beneficiaries, everyone else could be losers. The Liberal Democrat spokesman suggests that it will not mean much of a loss for people on fairly low incomes because not many people would be helped by the scheme. That may be true.

Martin Horwood: I am sure that the right hon. Gentleman was listening carefully, but that is not what I said. I said that, because the subsidy was going to be spread across a very large number of people—in Thames Water's proposed scheme, the suggestion is that 95 per cent. would be subsidising and only 5 per cent. benefiting, although that might be a bit niggardly—that would mean a terribly small increase for everyone else. That is what I meant—that the moderately poor would have hardly any increase at all.

Mr. Redwood: I think that that is what I said in slightly different language. I said that not many people would benefit. The hon. Gentleman is saying that only a very small percentage of people would benefit. However, I think that he will find that quite a lot of people think that their water bills are too high. It is not just the people on the lowest 5 per cent. of incomes who think that their water bills are too high. I suspect that perhaps half the people think that their water bills are too high and a lot of them will be very disappointed, so we need to send the right signals if we are really talking about only 5 per cent.

While the hon. Gentleman is right that, on the numbers, the increase for the other 95 per cent. will not be huge, there will none the less be some increase for people who are clearly really quite poor as they are in the bottom 6 or 7 per cent. of the income scale—because, on the hon. Gentleman's numbers, they will be excluded. We therefore need to have a better feel for the numbers before we can come to a fair conclusion on this; we need to know how big the increase will be, how many people will be paying it, and how many will benefit. I still think it would be much better to find a way of reducing the bills generally, as that would alleviate problems for the many people who find the water bill difficult to afford and feel that it has increased too much in recent years with no improvement in the service.

I also wish to make a few remarks on new clause 18, tabled by my Front-Bench colleagues. It may be sensible, but both the Government and Opposition Front-Bench teams need to help me a little by explaining what they mean by sustainable water management. It is one of those phrases that people trot out; they say, "Wouldn't it be a good idea to have sustainable water management?" It is very difficult to say, "No, we don't want that," as nobody wants unsustainable water management, but we have to unpack this common jargon and explore what it means. If it means we are going to have some common sense on the provision of clean water in adequate quantities at all times of the year and in all years to my constituents, I would welcome that. If it means that the water companies will do rather better in handling the disposal of foul water than at present, which would also matter a great deal to my constituents, I would welcome that very much, too.

Let me offer one of quite a few possible examples of poor water service in my constituency from the main monopoly provider. There is an area of nice housing where there has been over-building on floodplain land. That has led to too much surface water, which the drainage system cannot handle, so the surface water rushes through the housing area, hits and knocks out the pumps that are meant to take the foul water safely underground, and the foul water then swells up from underground and mixes with the surface water already running around in this low-lying housing area. As a result, people have very unpleasant things coming into their drawing rooms and kitchens, and they then cannot live in their houses for the next year while they are being cleaned out, dried out, re-plastered and so forth. That is totally unsatisfactory in 2010 in the United Kingdom, which is meant to be a rich and caring country with lifestyles of a sensible level.

If having sustainable water management means stopping such things happening, and saying to companies that allow them to happen, "You have some responsibility

and you need to come up with solutions more urgently out of your rather generous cash flows and large capital programmes," I am all for having sustainable water management. I suspect that this is what a lot of Members would find that their constituents want. They want more than the sensible and fine words in these various new clauses; rather, they want to know that something will actually happen. That is why I say this could be a very good idea, and I welcome what my Front-Bench colleagues are trying to do, but it can work only if the Minister both agrees that it is a sensible idea and then puts the detailed provisions into the regulations, so that monopoly local providers are under an obligation to deal with the obvious offences that we see in the service they are delivering.

The water industry as a whole has all the characteristics of a monopoly provider. Were we to have three dry and hot summers in a row—oh, blessed memory, when we had such things—I am sure that we would run out of water very quickly and be told we had to kill all our plants in our nice gardens because we could not afford to water them any more. That should not happen. These companies should be able to handle such weather conditions. Above all, however, they should be able to handle conditions in which we have quite a bit of rainfall. This country has had a lot of rainfall over many years; we seem to be having a succession of wet and damp winters and summers at present. Companies should be made to organise things so that they are able to handle such eventualities, because if customers cannot switch to another company that will do the job properly, it is terribly important that there is a regulator in place that will take the necessary action. I therefore hope that if we are in favour of sustainable water management, that means we are in favour of tackling these problems vigorously and thereby reassuring my constituents that they will not be flooded in future.

Linda Gilroy: I welcome the work that other Members have done in Committee and it is good to see the Bill back to complete its remaining stages so early, as that bodes well for its passing through the other place and into legislation. I particularly welcome the addition of clause 44, which fulfils the request made by a number of Members on Second Reading, including myself, for an examination of the debt issue. I shall move on swiftly, before I am told that this is not a Third Reading debate.

I welcome the product of another discussion in Committee—the one on social tariffs—and the work that the hon. Member for Cheltenham (Martin Horwood) has done, alongside Labour Members, in promoting new clause 22. I understand that new clause 22 is modest in its extent—it certainly is as far as fulfilling the Walker review and meeting the challenges in the south-west are concerned—but it is more welcome than the somewhat curmudgeonly comments made by Conservative Members. It gives clarity to something for which there is a great deal of pressure. Legislation needs to provide the regulator, at an early stage, with the ability to allow water undertakers to introduce some of the novel ways that they have been trying out, so as to ensure that there are methods that allow customers in vulnerable situations and those under great pressure in paying their water bills to get back into payment habits, to stop building up debt and to contribute at a level that is possible for them.

So I welcome the work done in Committee, but I wish to seek an assurance from the Minister because this provision is modest. If my understanding is correct, it is simply an intra-regional arrangement, rather than an inter-regional one such as would be needed to fulfil some of the recommendations of the Walker review. I hope that its welcome inclusion in the Bill in no way diminishes the Government's commitment to examining the full range of measures that could assist in tackling affordability problems, which are nowhere more acute than in the south-west region, in which I live. The Walker report put on the record for the first time the fact that the extent of the under-investment in the region's sewerage at the time of privatisation in the 1980s was £650 million. This new clause will in no way begin to address that. I thus seek an assurance from the Minister, because I was slightly apprehensive about his comment that it could be another two years before we have this opportunity again.

I welcome what the Minister said about the necessity for a review of Ofwat and its powers, and the way in which Walker envisages new charging and metering arrangements working would certainly bring that in its train. Indeed, I met the regulator earlier today to discuss how she is progressing with the Minister's welcome request for her to proceed with the examination of those aspects of the Walker review and the options that it set out for addressing the pressing affordability problems in the south-west. I am more convinced than ever that we will need a range of regulatory and Government measures, and not just the narrow ones envisaged in new clause 22, to put right the 20-year pain that we have been experiencing.

I support the new clause, but I seek the Minister's reassurance that it does not diminish the Government's appetite for introducing further early proposals to implement other necessary aspects of the review.

5 pm

I want briefly to touch on new clauses 16 and 17, tabled by my hon. Friend the Member for Stroud (Mr. Drew). The Minister's comments on the skills issue were very welcome. Notwithstanding the contribution that Unison has made to putting this on the agenda, he and I met some GMB shop stewards in a meeting that was lively for both of us. I was there in my role as chair of the all-party group on water. We were challenged to do things that I do not think we would begin to consider, such as addressing the skills issue by renationalising the water industry.

One had to have considerable sympathy with the views that the shop stewards expressed. They were worried about the pressures arising from what is broadly seen as a pretty tough settlement in PR09. They were also very worried about the investment in skills development and the work force when everything else gives, in some companies more than others. I welcome what the Minister said and his assurances that that issue was on his agenda and that he was talking to the Minister for Further Education, Skills, Apprenticeships and Consumer Affairs. However, although I am hopeful that we can better align these issues, as has been done in the energy industry—I have seen some very good work done along these lines—if that does not happen the early advent of another water Bill will keep the minds of people who are in charge of the water undertakings focused on

getting a move on. Otherwise, some of us will hope to be in a position to bring forward some further thinking along the lines set out by my hon. Friend the Member for Stroud in new clause 16.

As my hon. Friend said in his remarks on new clause 17, innovation is important in addressing some of the drought problems confronting the industry—not, perhaps, in the part of the country that I come from, but in some of the more eastern parts of the country. On show in a reception in the House of Commons were some of the proposals that are coming forward. They require quite a lot of investment and certainty for a number of years ahead.

My hon. Friend made points about the length of time involved and the periodic price review period, as well as about the way that that militates against such decisions being taken in a sensible way. In the all-party water group we have debated the impact of the welcome 25-year water management plans and the strategic statements that are now made, but we almost need more than that. There has been quite a lot of discussion inside and outside this place about whether we need perhaps to review the length of the price review period, which is five years, and about whether that is long enough. It has the perverse sort of outcomes that were outlined by my hon. Friend in his introduction of new clause 17. There would certainly have to be protections for consumers on pricing, but if we can get more sensible, value-for-money, long-term decisions in the investment procedure, that will pay dividends for consumers, too. It gives the water undertakings greater capacity to make sensible, value-for-money decisions. My hon. Friend described that as "levelling out."

In conclusion, we might want to return to new clause 17 in a future Bill, if note is not taken of it through the methods outlined by the Minister in his introductory speech. I greatly welcome new clause 22, and will certainly support the Government on it.

Nia Griffith (Llanelli) (Lab): I rise to speak in support of Government new clause 22, which will enable water companies to operate social tariffs with the aim of reducing charges for individuals who would find it difficult to pay in full. It will make it clear once and for all, beyond any doubt, that Ofwat will have such powers. We are familiar with this concept from the similar system of having reduced council tax charges for low-income households. Hon. Members will also remember that in pre-meter days, water rates were strongly linked to household rates, so we understand the concept that, in an unequal society, this is one way of helping those on the lowest incomes to receive commodities such as water. Likewise, there are measures in the Energy Bill to tackle fuel poverty.

I am very pleased that the Minister has been willing to listen to Members on this issue and to put this measure into the Bill. I know that things have been rather rushed and were done only just in time—after the Walker review came out, there were concerns as to whether the measure could be fitted in—but it is important to pass the measure, which mirrors measures in the Energy Bill and is similar to something that we already do with council tax.

The new clause states that the Minister "must issue guidance" that includes the

"factors to be taken into account"

when water companies draw up such schemes. The guidance will then go to Ofwat. I understand that for Wales, Welsh Assembly Government Ministers will draw up the guidance that Ofwat will use when dealing with water companies that operate wholly or mainly in Wales, such as Dwr Cymru, Welsh Water. Will the Minister confirm that that is the case? I would like to ask a further question on that. We know that Dwr Cymru is extremely proud of the fact that, this year, it managed to give back to every household a dividend of about £21. That was quite controversial because many households did not really notice the difference. The poorest households noticed because that is an enormous amount to them, but the most well-off households did not necessarily particularly notice it. There has been considerable criticism that the money could have been invested in improving the sewerage system in places such as Llanelli, or in working towards the adoption of sewers with which there have been major difficulties in the past for local communities who have had to pay continually for repairs. This issue is controversial, and I would like the Minister to tell us whether the guidance from Welsh Assembly Government Ministers to Ofwat could include guidance on how to deal with dividends, or whether this issue can be decided only in advance in relation to charges. That would be of interest to the water rate payers of Wales. I look forward to the Minister's clarification of this issue. I strongly support the principle behind the new clause, and I very much look forward to its operation.

Huw Irranca-Davies: The debate has kicked us off very well indeed. As I expected, there has been a good debate on this part of the Bill. I shall try to deal in detail, but fairly rapidly, with some of the points that have been raised. I can give all hon. Members the assurances that they seek, including the right hon. Member for Wokingham (Mr. Redwood), who made a valid point about rushing ahead and whether we are pre-empting what might be the ideal. I think that I can give him the assurance he requires. I acknowledge that, as the hon. Member for Vale of York (Miss McIntosh) has commented, the measures on social tariffs have come late in the day, and I shall explain why. I hope that I can persuade her to join us on this matter and approach it in the same spirit that we have dealt with the rest of the Bill, because we have an opportunity here.

Let me deal first with the question of why now. The hon. Member for Cheltenham (Martin Horwood) talked about putting matters beyond doubt legally. That is the purpose of the measure, but this issue was specifically raised by Ofwat and others in our evidence sessions. In response to Committee members, they said that the impediment to moving on this matter was lack of clarity in the law. We knew that there was huge support for this approach in Committee, and my hon. Friend the Member for Stroud (Mr. Drew) was right to say that I am a listening Minister. It has been a struggle to bring forward a proposal in time, but I pay tribute to my Bill team, who worked very hard. They spoke to stakeholders outside the House to try to get this right, and I think that we have something good.

I do not want to legislate for the sake of it, but I believe that our proposals are broadly welcomed. To pick up the remarks from several hon. Members, including Labour Members, I should like to bring forward legislation rapidly when we return after the general election, if I am in a position to do so, and we have an opportunity in this debate to achieve a consensus on the matter.

Why are we including provisions on social tariffs and bad debts, and not other Walker review recommendations? The review was tasked with looking at a number of wide-ranging and complex issues, which meant that it was published later than we initially hoped. We are amending the Bill to include provisions to tackle bad debt and, because of concerns raised on Second Reading, we have also introduced this provision on social tariffs.

The social tariff measure was a firm recommendation in Anna Walker's interim report, and her final report said that it should be a priority. This is a timely opportunity to include it because, as has been noted, we need to act soon to help customers who are already facing real hardship. However, other recommendations in Anna Walker's report, and the Cave report that I mentioned previously, require a lot of further consideration. I assure the House that we will consult fully on them. Although it is still the Government's intention to bring forward any new legislation that is needed, I should point out that not all the recommendations in Anna Walker's report require legislation.

In response to the question about businesses, I want to make it clear that the present wording is quite deliberate. We have been working very hard and burning the midnight oil to get it right. As I have made clear, part of the mechanism is that water companies will consult their customer bases before any scheme is implemented. That consultation will have to cover the acceptability of any cross-subsidies, as our guidance will make clear. We will, of course, consult properly on that guidance in the first place.

The right hon. Member for Wokingham quite rightly had reservations about whether this provision should be brought forward now, but it is framed in such a way that it does not pre-empt Anna Walker, or the detail inherent in a proper consultation exercise. I am sure that he would support the idea that we should consult not only those who might benefit, but people who might be asked to carry the burden.

The Consumer Council for Water made its concerns clear, and we framed our approach accordingly. We are not setting out specific proposals now, but ensuring that we have the power to consult and bring in such proposals at an appropriate time.

Linda Gilroy: Will the Government take note of the work done by CC Water, in the context of the water review, to assess the extent to which people will tolerate some form of cross-subsidy?

Huw Irranca-Davies: I assure my hon. Friend that we will take that work into account. The council has done a very good sensitivity analysis of the extent to which people are willing to bear some sort of burden.

There is one matter that I want to knock on the head. We had a very good debate in Westminster Hall the other day, when we discussed possibilities for dealing with the legacy issues in the south-west that arise from the original privatisation of the water companies. I said that the idea of a seasonal tariff was one of about six, seven or a dozen options, but it is not for me as a Minister to say that is the only one that we should take up. In fact, Anna Walker made it clear that a package of measures might need to be brought forward.

Contrary to speculation in the *Western Morning News* and other newspapers, I am not advocating any particular approach. We need a proper consultation with the wide consumer base before any measure is brought forward. No stealth tax is being imposed, and the fact that we are having this debate in full public view on the Floor of the House shows our desire to get the balance right.

5.15 pm

A few Members mentioned the Ofwat review, so let me reiterate what I said, because many of the proposed changes before us relate to Ofwat's remit. We absolutely acknowledge that we need to take a fundamental look at its remit so that it is fit to meet what are quite changed circumstances from those when privatisation occurred. We need to do so in recognition of the fact that the review must feature not only the proposed changes before us, but other contemporary and long-term issues. That is the appropriate way to undertake such work. Ofwat will do its own post-match review following PR09, but we need to engage not only with the regulator, but with wider stakeholders on a review of how we meet climate change and sustainability objectives. The right hon. Member for Wokingham was right to say that the proposed changes are well intentioned, and the definition of sustainable water management should indeed be part of that review.

Mr. Redwood: I am very grateful to the Minister for being so helpful, but will he answer my query? Does the law as it stands place a duty on a water authority to deal with foul water that escapes and causes problems, or do we need to strengthen the law?

Huw Irranca-Davies: I shall return to that issue in a moment. I believe that such powers exist—not in this Bill, but under existing water industry legislation. However, I shall seek some inspiration to recall the exact Act.

I hope that the hon. Member for Cheltenham will accept my assurance that we are seriously minded to undertake an all-encompassing review of Ofwat. Rather than try to include or identify in the Bill some of the issues that might be needed on Ofwat, however, we should do such work properly, in the round, and look at how we meet all the different challenges.

Martin Horwood: The explicit assurance that I and the Scout Association were looking for, however, was on the exercise of the remit in respect of the concessionary charges scheme. We want an assurance that Ofwat will clearly see that it is responsible for ensuring that the scheme is fairly applied to community groups.

Huw Irranca-Davies: The hon. Gentleman gives me the opportunity to put on record how we see the proposals working. Ofwat would be responsible for scrutinising and approving all charges schemes, and for ensuring that schemes complied with its price limits, were not unduly preferential or discriminatory, had regard to Government guidance, and protected customers. The proposals would make it clear in law that companies could bring forward concessionary schemes for community groups in their charges schemes, and Government guidance to companies would set out how we think those concessionary schemes would work. In approving the charges schemes, Ofwat would ensure that companies had regard to that guidance, and we would not expect Ofwat to approve a charges scheme that did not follow that guidance.

[Huw Irranca-Davies]

It is not for the Government to tell individual companies how to structure their scheme for charges. Severn Trent is working very well, because it has come up with a scheme that responds to its local, wide-ranging customer base. If a Minister did that work, they would create not least some market uncertainty, which could ultimately push up prices. Severn Trent has run a successful concessionary scheme. Yorkshire Water has also already set fair and affordable area-based surface water drainage charges for its non-domestic customers, so in such cases it might not be necessary to introduce concessionary schemes. However, if companies are allowed such flexibility, they will be able to reflect the circumstances in their area.

Let me make it clear that we will expect all companies that move to area-based charges, of which there are currently only four, to assess whether a concessionary scheme is necessary for their customers, and to ensure that community groups do not face unaffordable surface water drainage charges. Government guidance will make that clear, and I am sure that the hon. Gentleman will provide some input.

Companies will decide which community groups are included in their concessionary schemes, although we have published draft guidance; the Government will provide guidance on the types of organisation that should benefit, and examples of best practice. I think that we got it right with the draft guidance that we supplied to the Public Bill Committee on its opening day on 7 January. The Chairman referred to the package of documents on the desk in the Committee Room. We expect companies to decide to which groups to grant the concession by assessing the benefit to the community, consulting their customers and undertaking an impact assessment. That will ensure that all such schemes are fair for all customers. The absolute assurance is that concessionary schemes will not be brought forward where there are issues of unaffordability for community groups, scouts, churches and so on.

Martin Horwood: I hope that the House will forgive my pressing this point. In fact, just for once, it is not the ministerial guidance that we, and the Scout Association, are worried about. The concern is whether Ofwat's remit will still conflict with this issue, and about the fact that Ofwat is not mentioned in the new clause. As long as the Minister can give the assurance that Ofwat will see it as its role to support the implementation of these schemes, we can all relax and attend our scout events.

Huw Irranca-Davies: The answer is a straightforward yes.

I was pleased to have a very productive meeting with my hon. Friend the Member for Stroud and members from Unison. I also met friends from the GMB with my hon. Friend the Member for Plymouth, Sutton (Linda Gilroy) and led a delegation with my right hon. Friend the Member for Makerfield (Mr. McCartney). We dealt with issues to do with skills within the utility sector and throughout the water sector.

One of the problems with the water sector is that it is fragmented in comparison with the energy sector, for example, so there is a good role for somebody in bringing people together. That is why I want to seek a meeting with my hon. Friend the Minister for Further Education, Skills, Apprenticeships and Consumer Affairs to talk about how we can lend our weight to trying to get an all-encompassing approach, right down the supply chain and across the industry, so that companies do not have to struggle with a more piecemeal and short-term approach to skills development. EU Skills has been working with members of Water UK to develop a detailed and comprehensive work force planning tool. The key skills issue for the sector is the ageing work force: 11 per cent. are due to retire in the current regulated period, and increasing numbers in subsequent regulatory periods. We all have a role to play, and I will certainly play mine.

My hon. Friend the Member for Stroud talked about the price review and about trying to flatten out some of the decisions on investment and, linked to that, skills and training. For the first time ever, we have the five-year PR09 in the context of a 25-year strategic direction statement to consider the long term as well. DEFRA and Treasury Ministers have encouraged companies to bring forward their expenditure early in the PR09 process, where that is in the interests of customers, in order to flatten out the traditional wave shape that we have sometimes seen. Let us not forget that PR09 allows for more than £22 billion of expenditure to 2015; that is good for jobs and leads to a need for skilled workers.

In his introductory remarks, the right hon. Member for Wokingham expressed support for competition in the water industry to drive prices down. Many issues arise in a purely competitive approach. First, we are in a devolved situation. The right hon. Gentleman is a former Wales Office Minister, as I am, and he will know that Welsh Assembly Government Ministers have a key role to play, as does Welsh Water—Dwr Cymru—which has a somewhat different structure from other such companies. Although it is not without flaw, it is generally perceived in Wales to be a good model of a mutual approach towards water utility provision.

The right hon. Gentleman also talked about the transfer of water. That is not an unfeasible engineering solution, but we need to take into account the carbon impact if long distances are involved. As he rightly said, sustainable water management, among other things, might well be a good idea, but let us do it within the review of the full role of Ofwat.

To pick up the right hon. Gentleman's earlier point, I have had inspiration on where provision already exists on undertakers. Section 94 of the Water Industry Act 1991 requires undertakers to drain their areas appropriately, and Ofwat is required to ensure that they are able to fulfil those functions. There is also public health legislation and nuisance legislation, both of which would be relevant to powers to prevent and redress instances of local foul sewage pollution. Having been on the receiving end of overflowing sewers, as I said in Committee, I have a great deal of sympathy with that issue.

I turn to the comments of my hon. Friend the Member for Plymouth, Sutton. First, I welcome her work and that of other hon. Members in lobbying on the whole range of issues raised by Cave and Walker, in the south-west and more broadly. I hope that an additional Bill can be brought forward very soon, but we need to take this opportunity to act as well. We have made it clear that we will consult fully on Walker, but we have also already asked Ofwat to examine the recommendations in the report, not least in relation to the south-west, and to advise Ministers accordingly.

I look forward to a rescheduled meeting with the Prime Minister soon, with my hon. Friend and other colleagues. As she rightly said, we need to find a solution to the problem in the south-west. Anna Walker has given us some useful signposts and pointed squarely to where the problem arose. It could have been sorted right at the beginning. My hon. Friend mentioned the long-term impact, and the 25-year long-term planning approach that we now have is a useful way forward.

My hon. Friend the Member for Llanelli (Nia Griffith), alongside other Welsh colleagues, has been assiduous in lobbying to ensure that many of the measures in the Bill are also applied in Wales. I can confirm that Welsh Assembly Government Ministers will produce the draft guidance there. I hear once again her support for the transfer of private sewers, which is an issue that affects all of us in Wales. The Welsh Assembly Government have taken it forward in a slightly different way from that used in England, as we would expect, but as Welsh MPs we all have a role to play in getting involved in the process and ensuring that our constituents who are the most affected are the first to receive transfer where possible.

The only matter on which I will disappoint my hon. Friend is that of whether the guidance can specify how dividends should be shared out. Dividends are a matter for each company, but of course Ofwat, in its overall regulatory role, takes account of the water companies' ability to fulfil their functions within the price-setting mechanism. Within the guidance under the Bill, however, dividends are a matter for the companies.

Dan Rogerson (North Cornwall) (LD): In considering how that framework will work, will the Minister also continue to consider how companies can transfer money within wider groups that they are part of? That is significant in some areas. It is not just about dividends for shareholders but about how funds are moved around within groups.

Huw Irranca-Davies: That is a valid point, and it is one thing that we will want to examine in considering the role of Ofwat.

I hope that I have provided the necessary assurances. We are not pre-empting Walker; we are putting a mechanism in place so that we can deliver for the people who are hardest hit by affordability problems. We have already provided for what is set out in several of the amendments, and I have made clear my commitment to a full and comprehensive review of the regulator. That is not to say that its current role is remiss, but we recognise that the challenges that it faces now are significantly different from those at the time of privatisation.

Question put and agreed to.

New clause 22 accordingly read a Second time, and added to the Bill.

New Clause 2

REGULAR MAINTENANCE OF WATER COURSES

'The Environment Agency must undertake a programme of regular maintenance work of major water courses on an annual basis with quarterly reports to both Houses of Parliament.' *(Miss McIntosh.)*

Brought up, and read the First time.

Miss McIntosh: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Alan Haselhurst): With this it will be convenient to discuss the following: new clause 9—*Staffing and resources for the Environment Agency*—

'(1) The Secretary of State must make an assessment of the staff, equipment and resources required by the Environment Agency to implement the provisions of the Act in accordance with the lessons learnt from the floods of 2007.'.

New clause 20—*The role of Fire and Rescue Authorities during major flooding*—

'(1) A fire and rescue authority must make provision for the purpose of rescuing people and protecting them from serious harm in the event of major flooding in its area.

(2) In making the provision required by subsection (1), a fire and rescue authority must—

(a) secure the provision of such personnel, services and training as may be necessary efficiently to meet all reasonable requirements;

(b) make arrangements for dealing with calls for help;

(c) make arrangements for obtaining necessary information; and

(d) make arrangements for ensuring that reasonable steps are taken to prevent or limit damage to property resulting from action taken pursuant to such provision.

(3) Where—

(a) a fire and rescue authority maintains specialist resources ("the first authority");

(b) major flooding has occurred or is likely to occur in the area of another fire and rescue authority ("the second authority"); and

(c) the second authority has requested the first authority to use those resources in the second authority's area,

the first authority must use its specialist resources in the area of the second authority to such extent as is reasonable for the purpose of dealing with the emergency.

(4) In this section—

(a) "major flooding" means flooding that causes or is likely to cause one or more individuals to die, be seriously injured or become seriously ill as a result from—

(i) natural causes; or

(ii) an escape of water from a large raised reservoir;

(b) "specialist resources" means resources maintained for the purpose of taking action pursuant to provision made in accordance with subsection (1) including any personnel who have received specialist training for that purpose;

(c) "large raised reservoir" has the same meaning as in section 1 of the Reservoir Act 1975 (ambit of Act and interpretation).'.

Amendment 24, in clause 6, page 4, line 37, at end add—

'(g) the fire and rescue authorities.'.

Amendment 25, page 5, line 9, at end add—

'(e) a fire and rescue authority that exercises functions in relation to an area in Wales.'.

Amendment 27, in clause 7, page 5, line 35, at end insert 'the fire and rescue authorities,'.

Amendment 26, page 5, line 40, at end add—

'(e) a fire and rescue authority that exercises functions in relation to an area in England.'.

Amendment 5, in clause 9, page 7, line 42, at end add—

'(10) The Minister shall as soon as possible instigate, publish and have regard to a review undertaken by a panel of independent persons pertaining to the—

[Mr. Deputy Speaker]

(a) recruitment costs which will be incurred by local authorities in implementing the provisions of this section; and

(b) training and equipment costs incurred by local authorities in implementing the provisions of this section.".

Amendment 4, in clause 18, page 13, line 20, at end add—

"(4) A report under this section must be laid before and approved by a resolution of each House of Parliament.".

Government amendments 31 to 34.

Amendment 28, in clause 38, page 24, leave out lines 5 and 6 and insert—

"(3) Condition 2 is that in carrying out the work the Agency—

(a) has regard to the national flood and coastal erosion risk management strategy under section 7, and

(b) does not create or increase potential harmful consequences of a kind listed in section 2(4)(a) to (d)".

Government amendments 48 and 49.

Miss McIntosh: I wish to make one or two general remarks at the outset before going through our amendments and those in the name of the hon. Member for Stroud (Mr. Drew), after which I shall allow the Minister time to make the case for the Government amendments, of which several have come at such a late stage.

We had the opportunity to rehearse our arguments about the resourcing of the Environment Agency and local authorities at some length in Committee, but we did not receive the satisfaction and reassurances that we wanted from the Minister. I know that in relation to our amendments in this group, and even more so for those in the next group, he is hoping to give some reassurances that go beyond the Government amendments. If so, it would be helpful if he took the opportunity to state whether the discussions will be on the basis of Pepper *v.* Hart, so that we can provide assurances to those outside. The Government amendments in this group may not rely on Pepper *v.* Hart so much as those in the next group.

5.30 pm

I have a general point to make on the fire and rescue authorities, if I may, before I address the specifics of the proposals. In Committee, my hon. Friend the Member for Upminster (Angela Watkinson) made some logical points about the prominence of the fire and rescue authorities under the Civil Contingencies Act 2004, which the Minister addressed. I have some sympathy with the proposals of the hon. Member for Stroud and his hon. Friends, but without putting words into the Minister's mouth, I am sure he will agree that they would raise funding requirements. Nevertheless, there seems to be a lacuna in the law, in that we generally assume that fire and rescue crews will turn up and swing into action, as they did most recently in the Cumbria floods in November and December 2009, but there are resource issues with that, and I am not convinced the Government have yet addressed them.

New clause 2 would place a duty on the Environment Agency to

"undertake a programme of regular maintenance work of major water courses on an annual basis with quarterly reports to both Houses of Parliament."

In its conclusions, the Pitt report clearly stated—the Government adopted this in their most recent response—that regular maintenance should be done, and more importantly that it must be seen to be done. That is one of only a very few points of dissention that I have with Sir Michael Pitt. At the moment, I am not convinced, anecdotally, that the public believe that regular maintenance is being done. A number of people said that had regular maintenance been done, even the Cumbria floods might not have been as bad. I am not sure about that, because events that happen once in 1,000 years would lead to substantial flooding in any circumstances, but if regular maintenance on major watercourses is not done, water backs up into small watercourses.

Following the 2007, 2008 and 2009 floods, I saw with my own eyes areas where regular maintenance had not been undertaken, where a fairly basic strip of self-planting willow trees could have reduced flooding. As we know, the internal drainage boards have a regular programme, but it is acutely worrying for landowners and those who contribute to IDBs, and to the work of the Environment Agency from the IDB budget, if major watercourses are not regularly maintained and if minor watercourses are flooded as a consequence.

We are asking for work to be undertaken on

"an annual basis with quarterly reports to both Houses of Parliament",

which could be debated and published. That would send the message that substantial maintenance was being done regularly.

Mr. Redwood: That goes to the heart of a big problem in my constituency, where the rivers Emm and Loddon have flooded on all too many occasions in the past decade. Part of the problem has been the failure of the Environment Agency to maintain the free flow of the waters, which means blockages that exacerbate the flooding. I hope that my hon. Friend is successful with new clause 2.

Miss McIntosh: I am most grateful for that support from my right hon. Friend. There is an argument that the Government have reduced the maintenance programme while increasing along with inflation the budget for substantial infrastructure projects. Capital expenditure has been maintained and even modestly increased, but the same has not happened on the same scale with maintenance.

New clause 9 would require the Secretary of State to

"make an assessment of the staff, equipment and resources required by the Environment Agency to implement the provisions of the Act in accordance with lessons learnt from the floods of 2007".

We want a clear undertaking that the Pitt requirements will be met, and it is not clear that the Environment Agency will have any new resources. The report that was published last year on the Pitt conclusions included a table that did not show any significant resources for those purposes. I wish to press the Minister on where those resources will be found.

Amendments 5 and 4 similarly seek resources for local authorities. Amendment 5 would amend clause 9 to require the Minister to set up an independent panel to review the recruitment costs of the new staff required by local authorities to implement these new provisions—and

the training and equipment costs. Amendment 4 would require a report to be presented to Parliament and approved by both Houses.

The Minister has failed to reassure us that adequate resources will be provided. We have been told that savings will be made, especially on lateral drains, but we have had a strong steer from the Local Government Association that these sums are wrong. The Minister had agreed, through his Department, a new burdens doctrine, but the resource implications of the Bill breach the spirit of that doctrine. Therefore, the Minister should use this opportunity to identify the new additional costs, how he proposes to meet them, and to confirm that they will not be met entirely from existing budgets so that local authorities will not lose funding for activities that they would otherwise wish to undertake.

Water companies were also concerned by the suggestion from local authorities that the water companies should fund certain aspects from their receipts from consumers. I hope that the Minister will take this opportunity to give an undertaking that that will not be the case. It would be totally inappropriate and unacceptable, and not the best way to proceed.

Amendment 28 sets out how the work of the Environment Agency should be carried out, with

"regard to the national flood and coastal erosion risk management strategy".

It would also ensure that there were no unintended consequences from part 2 of the Bill.

Through new clause 2, we are raising concerns about the extensive and prescriptive role of the Environment Agency; its ability to carry out work that could increase flooding; the erosion of the responsibility to take a balanced approach; and whether the work that the agency undertakes might unwittingly cause damage to human health, the economy, infrastructure or the environment. Is it right to give those powers to the agency, or would that role be better played by local authorities? That is part and parcel of our hope that such powers will remain with, or be passed to, local communities through local authorities and internal drainage boards as appropriate.

Echoed within the group of new clauses and amendments is our concern about which should be the respective and potential local authorities. Without straying beyond the group, will the Minister confirm whether he is minded to provide the flexibility needed to allow district councils to be the proper planning authorities, if it comes to the approving authority for sustainable drainage systems? However, that debate might best be handled when we discuss the next group of amendments.

With those words, I would like to move this little group of new clauses and amendments.

Mr. Deputy Speaker: Order. For the sake of clarification, may I say to the hon. Lady that she moved the new clause at the head of the group? Should there be a request for the House to express an opinion on any of the others, they will be moved formally at that stage.

Miss McIntosh: I am grateful for your guidance, Mr. Deputy Speaker.

We have some sympathy with the amendments in the name of the hon. Member for Stroud and his hon. Friends, but they might go beyond the content of the Bill. There is clearly a legislative omission that he is trying to plug, but I wonder where he intends the resources to come from. I would be most interested to hear the Minister's response to our concerns about his amendments—technical amendments, as he might call them. Why are they coming so late in the day? However, if he is minded to support our amendments, that would be most welcome.

Mr. Drew: I am delighted to speak to new clause 20 and amendments 24 to 27. I heard what the hon. Member for Vale of York (Miss McIntosh) said, and I shall try to assuage her concerns and explain why we do not think that the amendments go too far. More than anything, however, I hope that the Minister will listen to my remarks, and that if my hon. Friend the Member for Hayes and Harlington (John McDonnell) can catch your eye, Mr. Deputy Speaker, he might set out how we can do what we want to do, and put some recognition of the role of the fire and rescue service into the Bill.

I heard what the hon. Lady said about the need to consider how that might fit with other pieces of legislation, but references to the fire and rescue service pepper the final Pitt review. In an emergency, when people are facing floods, the service to which they are most likely to turn is the fire and rescue service. It seems bizarre, therefore, that none of the welcome changes that we are making contain a statutory duty for the fire and rescue service to be at a flooding incident. Of course, that does not mean that its members will not be there, because they are such good people that they will almost certainly want to be there. I have been talking to the Fire Brigades Union, which wants clarification not just about fire and rescue services wanting to be there, but about the repercussions, as it were, of how they get there—and when they do, what they have to do and how they have to do it.

Bob Spink (Castle Point) (Ind): My constituents would expect me to be totally supportive of the hon. Gentleman's amendments and new clause, as indeed I am. Canvey Island, which I represent, suffered the greatest loss of life from any flood, in 1953. My constituents do not just want the fire service's statutory position to be clarified; they want it to be given proper equipment and training to enable it to do the job as effectively as it possibly can.

5.45 pm

Mr. Drew: I thank the hon. Gentleman, although he has pulled the rug from under me, because the nub of what I am trying to say is that unless there is a clear statutory duty, there will always be a danger that fire and rescue services will not have the resources, equipment or trained personnel to intervene as we all know they would want to. That is why the Bill is seen as an appropriate vehicle for giving clear guidance to each fire and rescue authority on the need to equip its people to do the job.

The purpose of amendments 24, 25, 27 and 26 is to list the appropriate places in the Bill where we feel that the fire and rescue service should be added as an organisation with a part to play in dealing with flooding. More than anything, we are talking about how the operation of fire and rescue services is about looking at how to deal with flood risk and the different management strategies needed to do so. To be fair, DEFRA recognises

[Mr. Drew]

that, and to some extent we are highlighting the fact that this is a cross-departmental issue. As I will explain in a minute, other Departments perhaps ought to be listening to the lead that DEFRA is giving, to ensure that fire and rescue services are properly placed to deal with the problems that we have already identified and that we all know about.

Let me deal with the current situation. My hon. Friends and I believe that the current law is incoherent. Fire and rescue authorities have to plan to deal with floods. They have the power to respond, but they do not have a duty to do so. The Civil Contingencies Act 2004 gives fire and rescue authorities duties in respect of emergencies, including flooding. Those duties include assessing the risks of emergencies and planning not only to prevent them but to reduce, control and mitigate their effects.

The Fire and Rescue Services Act 2004 gave fire and rescue services the ability to respond to eventualities other than fires and road traffic accidents, which could imply that flooding was included. However, then there was a problem, because the Department for Communities and Local Government effectively did a U-turn in March 2007, when it published the Fire and Rescue Services (Emergencies) (England) Order 2007, which did not include flooding. At the very least, therefore, there is confusion about the role of fire and rescue services in flooding.

Lembit Öpik: The hon. Gentleman knows more than most about how important it is to get such matters right. I am listening to his argument, but on the point that he has just made, is he implying that that confusion creates a risk that although fire and rescue services will always go to the aid of people in need, they might not have the resources to do so? Is his assumption that if his amendments were passed, the resources required to give the appropriate support around the country would follow on from the legislation?

Mr. Drew: It is the duty of the fire and rescue authorities to provide that equipment, the skills and the capacity for the fire and rescue services to react to flooding, just as they are expected to respond to fires and vehicle accidents.

I shall not labour the point, but in recent history we have some good examples of fire and rescue services being employed to their full capacity in Gloucestershire, Sheffield, and more recently Cumbria. It is clear that although that may not be normal—in these days of climate change, we are not quite sure what normality means—it is an important part of the fire and rescue services' precautionary provision. That is not just local provision. In episodes of flooding such as those in Cumbria and Gloucestershire, fire and rescue services are brought in from many other brigades. Such is the scale of the disaster that that level of response is needed.

My hon. Friends and I seek to put into the Bill what Pitt refers to throughout the report. The key part of the report is recommendation 39, which states:

"The Government should urgently put in place a fully funded national capability for flood rescue with Fire and Rescue Authorities playing a leading role, underpinned as necessary by a statutory duty."

One could say that that was slightly equivocal, but I take it to be, as near as dammit, a statement that there should be a statutory duty. Pitt subsequently argued:

"It is equally a matter of the fundamental principles underpinning this Review . . . which is to give clear and unambiguous direction—giving certainty where there is doubt—that the systems currently in place, or those otherwise proposed, will provide the desired outcome. We must be clear about who does what to ensure that people and organisations are held to account, structures are simple and outcomes are more certain."

In the recent Cumbrian disasters, as we know, the fire and rescue services were to the fore. I do not think it would be speaking out of turn to say that in discussions that I have had with my hon. Friend the Minister, that is held up as a good example of integrated working. I have no reason to deny that, although we have not yet had the wash-up—sorry about the pun—from those disasters to see what was learned and what could be done differently. From talking to some of the firefighters who were involved in the Cumbrian episode, I understand that there were issues concerning equipment and how they were to get access to it. I shall give a couple of examples.

In the Cumbrian floods in November 2009, according to the current edition of *Firefighter*, there were 64 sets of swiftwater rescue personal protective equipment. When the floods first broke, a Whitehaven crew fully trained in swiftwater rescue could not carry out its duties: in the safety-critical period when the floods first hit, there were no dry suits for them to wear. Crews who had not been trained for water rescue had to put on the dry suits that were available and take to the water, leaving the SWR-trained crew high and dry.

In the great scheme of things, that does not seem to be an issue on which we should legislate, but as I and others have said, this is life and death stuff. In a sense, it is more important than legislation. It is about what people do in a crisis, when they know that they have to get the equipment and the right people in place, and exercise their judgment about how to operate safely for themselves and have the greatest impact on those whom they are there to save and rescue.

I hope my hon. Friend understands that this is not necessarily the only chance to get the legislation right. There is a germ of truth in what the hon. Member for Vale of York says when she asks whether this is the appropriate place to try to change the law. I am open to suggestions on that subject, but we should not miss the opportunity to clarify the role of the fire and rescue services. We know that episodes of flooding occur all too frequently. The role of the fire and rescue services is clearly central to what happens in such emergencies. We must ensure that the fire and rescue services are properly equipped and trained and have the capacity to operate in the most effective manner. Making it a duty to ensure that would be the best way of achieving it.

Those who saw what happened in Gloucestershire have nothing but admiration for people who undertook the most dangerous jobs. My son-in-law is a retained firefighter, so I have to be a bit careful. I am not declaring an interest. Firefighters save lives and have to make the judgment calls that some of us talk about but are never required to make. I hope that my hon. Friend the Minister will listen to what my hon. Friend the Member for Hayes and Harlington might say about ways forward, if he is called to speak. This is a serious subject, and I hope it will be treated seriously by the

Government. As we have a listening Minister who has performed admirably in improving the Bill, I hope that our new clause will be another change that we can get into statute, making a good Bill even better.

Mr. Laurence Robertson (Tewkesbury) (Con): It is an honour to follow the hon. Member for Stroud (Mr. Drew) who, as I am sure the House would agree, has spoken a good deal of sense about the fire and rescue services, who performed heroically in Gloucestershire in 2007, and continue to do so.

It is probably unusual for a Front-Bench spokesman on one Department to serve on a Bill in the sphere of another Department, but when I was asked to do that for the Committee stage I did it willingly, because the Bill is so important to my constituency.

When the Minister spoke for the first time this evening, he talked about the Bill rather more enthusiastically than I might do. I do not think it is quite the wonderful Bill that he described. It is certainly welcome, and a move in the right direction, and it puts the issue on the agenda for discussion. That is to be welcomed, but I regret that we were not able to win more votes on amendments in Committee. I would like us to strengthen the Bill tonight. Although it is welcome and contains nothing to disapprove of, there is not enough in it to make the kind of difference that I would like to see.

Lembit Öpik: Although we must not deviate too far from the amendment, does the hon. Gentleman agree that these and other amendments seek to improve things at the margins, but fundamentally in his constituency, in mine and in that of the hon. Member for Stroud (Mr. Drew), there is a profoundly serious issue that probably needs upstream management, and which is beyond the scope of the amendments under discussion, but to which we will undoubtedly have to return if there is a repeat of the 2007 floods?

Mr. Robertson: The hon. Gentleman is correct. I hope that we will return to that issue soon—although it would have to be after the general election. We should treat the Bill—or Act, as it will then be—as a working document and a good start, but as something that we need to improve on. There is nothing wrong with that; we have to start somewhere. I do not mean to be over-critical of it, but I would rather see it improved in certain ways now.

We have heard a lot about floods occurring once in 100 or 200 years—or, in respect of the north-west floods of a few months ago, once in 1,000 years. I do not think that we can speak in those terms, as I do not believe that floods have been recorded for 1,000 years, in which case we cannot say how often they have occurred over a 1,000-year period. In view of climate change, which we discuss in one form or another every day, we cannot assume that weather patterns will be the same in the future as they have been in the past.

6 pm

The point is that we must do everything we can to prepare our areas for flooding. My own area of Tewkesbury floods regularly. It has been flooded in the past couple of weeks, and the roads as well as the fields near the famous Mythe waterworks, close to where I live, have flooded. It does not always make the news because it happens so often. It is something that we have to live with regularly. Living at the confluence of two rivers, the Severn and the Avon, we know that we are going to flood every so often. What we request of the Government is that they do not make matters worse—for example, by building too many houses in the wrong place. Also, where it is possible to adopt measures to improve matters, we should do so.

I shall speak briefly to three amending provisions proposed by my hon. Friend the Member for Vale of York (Miss McIntosh), the first of which is new clause 2, dealing with the Environment Agency and the maintenance of main watercourses. We had major floods two and a half years ago, and afterwards, of course, there was a lot of wisdom: we then saw many drains and culverts in disrepair, ditches and streams that had not been cleared out, how much work could and should have been done on the rivers, and so forth. Although we have to repair the damage—that has been done throughout my constituency—we should follow a principle of maintaining the waterways. It is the same principle as having our car serviced at regular intervals rather than waiting for it to break down. Servicing should happen so that there is less chance of it breaking down again. Even with the car, we cannot entirely rule out a further breakdown, but servicing should make it less likely and if it does break down, the damage should not be so bad if proper maintenance has taken place. It is crucial to stress to the Environment Agency and other bodies responsible for waterways that we must have regular maintenance.

As I said, we found many examples in my constituency of where the situation could have been better—or less bad, which is probably a better way of putting it. The village of Prestbury, which contains the great Cheltenham race course and falls within my constituency, saw flooding not only in July 2007, but earlier in June 2007. I visited people who told me that they had lived there for 40 years, yet never experienced flooding before. I thought that that was rather odd as the area contains houses and streets that flood quite a lot, but it seemed not to have happened in this particular place until June 2007. I then realised that a housing estate had been built on what I consider to be an inappropriate place, which no doubt contributed to the flooding further down the road. I also discovered that two culverts had been put in, supposedly to take the water away, but—unbelievably—they had not been joined up. One culvert had become damaged, but had not been fixed. That is a good example of how a lack of maintenance and a lack of proper planning can make matters so much worse. I thus endorse new clause 2 and what my hon. Friend said about it.

Mr. Greg Knight (East Yorkshire) (Con): I also support new clause 2, but does my hon. Friend agree that it would be better if it provided for quarterly maintenance and annual reports to Parliament rather than the other way around?

Mr. Robertson: Perhaps I should ask my right hon. Friend to discuss that point with my hon. Friend. I think that he probably makes a good point, and he reinforces the principle that we need regular maintenance and reports to tell us what is going on. We certainly need those reports, as it is so easy for people not to maintain things and for us not to know about it. I return to the car analogy: if we do not have our car serviced at

[Mr. Laurence Robertson]

the right time, it may not necessarily break down next week, but it might well do so not long after that. If we do not know that regular maintenance has been done, we will be heading for problems.

New clause 9 is important and would require the Secretary of State to assess the "staff, equipment and resources" that the Environment Agency possesses in order to implement the Bill's provisions. One problem I had during the floods of 2007—I am sure that other hon. Members did, too—was trying to establish who was responsible for what and for which watercourses. This may go slightly beyond the scope of the amendments, but once we had discovered who was responsible for what, getting them fixed became the next problem, as we were told that they did not have the money. It would be good if the new clause were adopted because the Secretary of State would know whether the Environment Agency had the resources necessary to deal with the problems—not only the daily ones, but the further issues with which the EA is now required to engage and for which it must prepare a strategy.

It would be folly and dangerous to go ahead without ensuring that the Environment Agency had the necessary resources. It has to prepare a strategy and then implement it, and if it needs £x to do so, but it gets only £x minus 10 per cent. or 20 per cent., the shortfall might prevent it from delivering the strategy. The same problem could arise with the lead flood authorities—in other words, county councils—which must have the resources to make them confident enough to prepare the strategy that is necessary, not a reduced one.

Lembit Öpik: The point about responsibility is important. Does the hon. Gentleman agree that the Environment Agency has at times wanted to intervene to prevent the building of houses, for example, but lacked the authority to impose its will? That is one of the problems that arises without clear delineation. Is he saying that in supporting this part of the new clause, he wants both resources and jurisdiction clearly defined so that we avoid ending up in the mess we had 10 or 15 years ago?

Mr. Robertson: The hon. Gentleman makes a good point. It reminds me of another incident in my constituency, which provides an analogy. A chemical factory exploded; the Environment Agency was monitoring it. We all knew it was dangerous and said so at the time. I visited the site and came away not feeling at all well, and I made that clear to the agency. However, it was rather frightened that it did not have the power, the clout, the ability or the confidence to deal with the problem. That factory exploded in October 2000, leaving many people unwell as a result. We got rid of the factory; it left my constituency. The Environment Agency was very concerned about being taken to court by the company if it carried out certain actions that everyone in the area knew should have been done. The explosion proved us right: we were not scaremongering; it could have killed people. A couple of days after the explosion, it was, amazingly, flooded. It is a big issue. I would like to see the Environment Agency's role more clearly defined, and if it is given more responsibilities and powers, it will need more resources.

That brings me to amendment 5, which adopts a similar philosophy in seeking to ensure that local authorities are properly financed for "training and equipment costs" and that their ability to carry out what they need to carry out is laid before Parliament. There is considerable concern among local authorities about being given extra responsibilities, duties and powers without the concomitant funding. As my hon. Friend mentioned, we are not entirely convinced that the appropriate amount of money will be given to local authorities. The Minister did his best in Committee to assure us that there would be enough; I just hope that that is the case. The main planks of the Bill are that the Environment Agency shall prepare a strategy and implement it, and that the lead local funding authority shall prepare a strategy and implement it. If those strategies are to be effective, they are going to require the confidence of having the necessary resources provided.

With those few remarks, I support my hon. Friend in respect of new clauses 2 and 9 and amendment 5.

John McDonnell (Hayes and Harlington) (Lab): I support the proposals of my hon. Friend the Member for Stroud (Mr. Drew) and others.

During this and a number of other Sessions I have found it difficult to support some of what the Government have done, but I fully support this Bill, and I commend the Minister on what has been a model process in many respects. The genesis of the Bill lies in the floods of 2007, which affected a number of hon. Members personally. They stood by their constituents and worked hard on their behalf, and I remember the Government's response as well. Ministers made visits within hours of the floods being seen as major disasters, as they did at the time of the Cumbria floods last year. They talked to people on the ground, and soon afterwards instigated the reviews that led to this Bill.

Sir Michael Pitt did an excellent job in conducting his review. His recommendations to the Government were very explicit. As was mentioned by my hon. Friend the Member for Stroud, who quoted from the report, what Pitt wanted was absolute clarity about the legal responsibilities and duties relating to flooding, which is why he strongly recommended that a legal duty should be placed on the relevant authority.

Along with my hon. Friend and other hon. Members, I work with members of the Fire Brigades Union. At the time of the floods we heard about not just the heroism of firefighters and others, but the constraints that hampered them and the problems that they encountered. The issue that arose time and again was the need—as echoed in the Pitt report—for absolute clarity about their responsibilities and the duties placed on fire authorities. So far so good, but when the legislation was produced, my colleagues and I were disappointed to note that it made no reference to those duties. The legislation is appropriate, but I fear that if we do not include that duty now, we shall not have an opportunity to include it for some time. How often does a Bill of this kind appear?

Notwithstanding all our commendations of those who were involved in the Cumbria experience, from firefighters to local authorities and others, I have to say—again echoing my hon. Friend, along with reports that we received from firefighters—that there was concern at the time about lack of equipment and training. There

was also concern about co-ordination, although I agree with the Minister that that seems to have improved dramatically. Firefighters turned up and found that the necessary equipment was not there or that the equipment was not appropriate, or in the wrong place. That is why I believe that the Pitt recommendations should be installed in the Bill, and that a duty should be placed on fire and rescue authorities to provide for major flooding incidents.

Mr. Greg Knight: Was the hon. Gentleman in the House on 15 December last year for the Second Reading debate? When I intervened on the Secretary of State to ask him when he would implement the Pitt recommendations by giving the fire service a statutory duty, he said that he did not think it necessary because, in his view, it provided a good service. Does the hon. Gentleman not consider that complacent in the extreme?

6.15 pm

John McDonnell: I was present, and I apologise to the right hon. Gentleman. I did not nod off, but I must have been distracted, because five minutes later I repeated the same question in almost exactly the same form—although possibly in a less critical form than the right hon. Gentleman—and received the same response.

Among the firefighters on the ground, the demand for a statutory duty remains. I know that Sir Ken Knight suggested otherwise. I have the greatest respect for Sir Ken Knight, but, having not attended his beatification, I do not believe that he is infallible, and I think that in this instance he got it wrong. I met the FBU executive only a few weeks ago, and I met the general secretary during the past week, and the message has come back time and again that a statutory duty is needed.

Let me explain the difference between a power and a statutory duty. I have been a local government officer and a local councillor. I have been involved in the construction of budgets, including fire authority budgets. I have been involved in circumstances in which we had to reduce the number of staff and cut overall expenditure. Any local government officer will tell council members that a statutory duty is stronger than a discretionary power. When councils are faced with the sliding scale of cuts or investment, the recommendation will always tend towards protecting the statutory duty.

We all know about the constraints that will be placed on public finances in the coming period. I fear—this point was made on Second Reading as well—that unless a statutory duty is placed on fire and rescue authorities for major flooding, there will be not only the lack of clarity that worried Pitt, but a lack of protection for the long-term investment required for training, staffing and equipment.

The process of considering what should go into the Bill and examining what has come out of reports has been handled well, and it is clear that a co-operative and constructive relationship existed in Committee. The Minister has made himself available in response to all requests from hon. Members for meetings with him. Furthermore, for the first time in a long period, we have been given enough time to debate a Bill on Report. That came as something of a shock to a number of us, given the House's current procedures. However, I expect the Minister to say that we are still awaiting the feedback from the analysis of what happened in Cumbria, that co-ordination has plainly improved, and that therefore he is not yet convinced of the need for a statutory duty.

Let me say this to the Minister. If he is not convinced tonight, there is a possible way forward. We could do what we have done in other legislation. Rather than missing the opportunity to include some form of statutory duty in the Bill and having to wait for one, two or three years for another piece of primary legislation, we could table an amendment in the House of Lords giving the Secretary of State power by order to include the duty at some later stage, once he or she has become convinced of the necessity for it. That would not require further primary legislation. Delegated legislation, involving either the affirmative or the negative procedure, could enable the Government to act in the light of the latest analysis of what has happened in Cumbria and beyond.

We may well receive details of the lessons of Cumbria before the matter reaches the House of Lords, in which case a straightforward amendment or new clause along the lines of the new clause proposed by my hon. Friend the Member for Stroud could be tabled there. If that is not possible, at least let us have a fallback position giving the Secretary of State a reserve power to provide for a statutory duty in delegated legislation. I believe that that would allow us to have a robust piece of legislation, responding to the demands presented by the major flood disasters that occur from time to time and reflecting the Pitt recommendations, while giving the Government flexibility to act as and when they saw fit. I fear that if we do not take that opportunity we will live to regret it, and that others may suffer as a result.

Martin Horwood: I shall continue the spirit of cross-party friendship by expressing support for new clauses 2 and 9. New clause 2 addresses an issue on which many of our constituents have sought a lot of reassurance. As the hon. Member for Tewkesbury (Mr. Robertson) rightly pointed out, in the aftermath of the floods, the maintenance of watercourses—what had been and what had not been maintained—was a major issue. I took a very brave member of staff at the Environment Agency around various parts of Cheltenham, including Sandford Park and the George Readings estate, to explain the process of maintaining the water courses around the River Chelt, which is defined as a main river despite the fact that it is only a couple of inches deep most of the time. We discussed what exactly the EA's responsibility was in that respect and what it was going to do in future. I pay tribute to Anthony Perry from the EA for making those visits and for being open and communicative with my constituents.

The process of reporting that the new clause suggests would offer the people at the Environment Agency, among other people, an opportunity to explain where and when maintenance was supposed to be taking place, in its opinion. If, in its opinion, maintenance was not appropriate or necessary, it would have the opportunity to set that out, too. That would all add to the spirit of transparency and openness about maintenance, which was a matter of great concern to many constituents.

New clause 9 is also important and reflects much disquiet about the resources that will be available to the Environment Agency to carry out its duties under the Bill. Throughout the Bill, there are measures that will lead to not only more strategic work, but more specific investigations, duties, responsibilities and liaison. It is important that we are reassured that that can be done in practice. As far as we can detect, no new resources appear to be available.

[Martin Horwood]

There is one source of funding for such work. It is not a happy precedent. The Minister kindly replied to two of my parliamentary questions on 26 January 2009 about the exact breakdown of the flood and coastal erosion risk management budget. I was not looking for this bit of information, but it reveals something quite startling, which is that the amount of the flood risk management budget retained by the Department for Environment, Food and Rural Affairs, as opposed to that passed on to the Environment Agency through grant in aid or to local authorities through the formula grant, went up from zero in 2007-08 to £3.75 million in 2008-09 to £20.5 million in 2009-10 and it was expected to be £35 million in 2010-11.

That may reflect the implementation of various aspects of the Pitt report, some of which may be welcome. The Minister might confirm this, but if that includes things such as the establishment of the national flood forecast centre, that is a welcome development, which everyone called for, including Sir Michael Pitt, and we supported it. Clearly that will cost some money and may reduce, if it is successful, the need for some hard defence spending using other bits of the flood management budget. However, if that is to be the precedent for how we pay for things that we cannot immediately find money for in the area of flood risk management, if we simply raid the overall budget for flood risk management and thereby give less to local authorities and the Environment Agency for flood defence works, although it delivers an almost bottomless pit of possible funds to the EA and to Ministers, it might have bad consequences, which Sir Michael Pitt and those at risk of flooding in our constituencies would not welcome. It will inevitably mean that the backlog of projects and of necessary work to be carried out by local authorities and the EA will be delayed. Therefore, I seek some reassurances on how ring fenced the future budget for flood risk management will be, as it was intended for work by the EA and local authorities.

Mr. Redwood: Is not one of the problems with this whole area that we can all get access to lots more experts, memos, legal advice and buck passing, but we cannot get access to any money for men in diggers to get the ditches cleared?

Martin Horwood: The right hon. Gentleman makes an eloquent point. The spirit of it is exactly right. It underlines the risk of endlessly creating more and more bureaucracy and responsibility. Some of it may be welcome, but if it is allowed to grow without restraint, we may find that the practical result is less flood defence, not more.

New clause 20 and amendments 24, 25, 27 and 26, which were eloquently spoken to by my honourable neighbour, the hon. Member for Stroud (Mr. Drew), reflect the reality of the situation—fire and rescue authorities play a critical role in the management of such emergencies and in flood risk management. In Gloucestershire in 2007, the close liaison between fire and rescue authorities and the other gold command agencies was critical in ensuring a more positive outcome for the people of Gloucestershire than we would otherwise have had. I am happy to join in the tributes to Gloucestershire and to other fire and rescue authorities for the work that they have done in response to the flooding.

Mr. Laurence Robertson: Does the hon. Gentleman agree that it was greatly beneficial at the time that the three emergency services were based at the tri-centre under the same roof? Would he oppose any threats to that situation?

Martin Horwood: I am absolutely in agreement with the hon. Gentleman on that. In fact he could have taken the words out of my mouth. The Government's proposal to break up that shared service is very much to be regretted. I hope that it will not happen. The omission from the Bill of statutory duties relating to fire and rescue authorities must be, I hope, an innocent omission, but it is serious nevertheless. I hope that the Government will take the opportunity to correct that. The hon. Member for Hayes and Harlington (John McDonnell) rightly pointed out the difference between leaving it as an informal power that can be exercised, and spelling out a statutory duty in the Bill. I am entirely in agreement with that.

Amendment 5 is in some ways parallel to new clause 9 in that it addresses the possible shortfall in funding at local level, as opposed to national level, and the resources available to local authorities in their new lead role as flood risk management authorities at local level. That is still causing concern to the Local Government Association and to officers and leaders of local authorities of all political colours, despite the reassurances from the Minister. He has confidently said on several occasions that all new responsibilities will be fully funded, but like the hon. Member for Vale of York (Miss McIntosh), I remain pretty sceptical about how that can be done.

Gloucestershire county council, despite being run by the Conservatives, did a perfectly respectable job, which I applaud, during the floods of 2007, but since then there have been more and more demands on its resources. It has had to cope with further unexpected demands from snow, and further, less dramatic, flooding, which nevertheless required further work by officers and imposed further demand on resources. We have had yet more snow in the past couple of weeks, and the big freeze created an epidemic of potholes over the entire county, with roads breaking up all over the place. Those demands are not to be met through any earmarked pothole budget or snow budget. The funds are coming out of the general resources of the county council. It is not clear how those additional lead responsibilities, which will not be given any earmarked funding, will be exercised without putting more and more pressure on county councils and other lead local authorities.

These are tough times for local authorities and all the signs are, from all political parties, that in the aftermath of the election, the need to reduce the Government's deficit will make times tougher still. It seems pretty harmless to propose an independent review as set out in amendment 5 to consider the implications of those new responsibilities and demands in the context of the whole local authority budget, so I hope that the Government will see fit to accept that.

Amendment 4 is a bit odd since it appears to require Parliament to approve a report by a quango. If we had to approve all the reports by quangos to this place, we would probably do little else. I am not clear what would happen if we did not accept such reports. I am not sure what the consequences of that would be, so perhaps the hon. Lady will be able to clarify that.

Amendments 31, 32, 33 and 34 are sensible responses to points made in Committee, and I commend the Minister on having responded to them in such a positive way. Amendment 28 addresses the important issue of the possible harmful consequences of the quite extensive powers given to the Environment Agency under the Bill. It is, perhaps, more directive than the current wording, since it specifies that no harm shall be done to, for instance, the preservation of cultural heritage, rather than obliging the EA to balance harm and benefit. It may, therefore, be a little idealistic, and I would not necessarily want to be the EA official who has to square that circle, but I would be interested to hear how practical the Government think this proposal is.

Amendments 48 and 49 are, again, very welcome implementations of the intentions behind two amendments in Committee—Liberal Democrat amendments in this case. The powers of the EA need to be sensitively implemented, particularly in respect of private landowners and land occupiers, and as these amendments reinforce the need for sensitivity and consultation, I support them.

6.30 pm

Angela Watkinson (Upminster) (Con): I rise to speak briefly to new clause 20, for which I have a great deal of sympathy, not least because I have a daughter and two sons-in-law in the London fire and rescue service. I am therefore acutely aware of the nature of the job, and the dangers and difficulties it presents. I want to make two main points: the first concerns the absence of a statutory duty to attend flooding incidents, and the second relates to the issue of overall control in an emergency situation.

I have been very surprised to learn, both in Committee and from speaking to serving firefighters and chief fire officers, that there is no statutory duty on the service to attend a flood—although I am not aware of it not having attended any such incident. The new clause provides a long list of duties that would pertain to the fire service, but it is not possible for its officers to take on those duties without the proper training, equipment and clothing. That has big funding implications, of course, but there has been no indication of where the funding might come from.

The recent Cumbria incident was a very serious emergency flooding situation, and I have seen pictures of firefighters waist-deep in floodwater that is very likely to have been contaminated by sewage, yet they were wearing their normal-issue clothing, which is intended to protect them from fires. It is wholly unsuitable for flooding situations. The moment they get into the water, they are wet right through, and when they remain in the water for a long period they are at risk of hypothermia and of infection and germs from contaminated water. Clearly, this situation cannot continue, and although the list of duties in the new clause raises several significant funding implications, it is a basic essential that if firefighters are going to enter contaminated water to try to carry out duties such as rescuing people from their homes, they must have the right clothing to protect themselves and to enable them to carry out their duties.

The question of who has overall control in an emergency flooding situation was raised in Committee. A wide range of statutory bodies and charitable and volunteer organisations will appear on the scene, all of them try to help and do what they can to address the situation. Rescuing people will be their first priority. These bodies will include the fire and rescue service and the police, of course, as well as statutory undertakers, local government and, perhaps, social services teams, and St. John Ambulance staff. The last thing that is wanted in such a situation is confusion about who is in overall control.

I was assured in Committee that the gold command procedure is working very well, but I know that the fire and rescue service would like more clarity, and also that it would like to have overall control in an emergency situation. Everybody who is present needs to know to whom they have to report, so that there is some strategic overall control. These situations are often very dangerous not only for the people being rescued, but for the rescuers themselves, both statutory and voluntary. There is a particular point to make about volunteers: there is no jurisdictional authority over them. They might be individuals or members of local community groups that could have come from anywhere, and they can put themselves in danger when they try to help others in a flood situation.

There needs to be clarification on these matters. In serious flooding incidents such as the most recent one in Cumbria, there needs to be absolute clarity about who has overall strategic control on the ground. It is my understanding, however, that the gold command system is not necessarily conducted on the spot; instead, it is conducted from a control room away from the actual emergency.

Every time there is an emergency, we need to study the debriefings of the people who were there in order to learn what worked, what did not work and what is missing in procedures, so that we are prepared for any future incident. It is also essential that firefighters have the proper clothing for dealing with flood situations. Their standard equipment is suitable only for firefighting.

Mr. Roger Williams: The hon. Lady raises a very important point about the fire and rescue service. The mid and west Wales fire and rescue service has inflatable dinghies for dealing with flood situations. They are manned mostly by retained firemen, so when they are called out, that costs extra funds. The service has no statutory duty to respond, however, and neither does it have any financial resources to do so. This therefore puts a great burden and much stress on it.

Angela Watkinson: I thank the hon. Gentleman for that intervention. It serves to clarify that in emergency situations there needs to be someone in complete control over all the statutory bodies that are in attendance, and everything possible must be done to protect fire and rescue officers and all the other statutory personnel, as well as all the volunteers, some of whom may not be used to being organised or operating within a chain of command. They, in particular, need to know to whom they should report and from whom they should take instructions, both for their own safety and that of the people they are helping to rescue. What comes through from our experience of the most recent incident is that we must learn about, and take action on, all the areas where there can be improvements in the co-ordination of the service, and make sure that everybody who has a statutory duty has the proper equipment to be able to do their job.

Mr. Redwood: I welcome in particular new clause 2, tabled by my Front-Bench colleagues. First, I welcome the fact that it states:

"The Environment Agency must undertake a programme".

We need greater clarity throughout the legislation on who is responsible for what, and the new clause gives a lead on that. Secondly, I welcome the requirement that the Environment Agency undertake regular maintenance of the major watercourses. Under existing legislation the Environment Agency is responsible for the major watercourses, but as I discovered when trying to follow up on the persistent—the all too regular—flooding incidents in my constituency in recent years, it is terribly difficult to get any single body to take responsibility. There is always buck passing between the EA, the water companies and the local authority; each of them makes out a case that it is not technically responsible.

Clarity is essential and, unfortunately, I do not believe that the Minister's legislation, in its widest sense, provides that. The Bill seeks to provide it in some areas, but in other areas it will be a lawyers' charter. I have a heavy feeling in my heart that there will still be endless battles to establish who is responsible for what. I hope that we have not lost the clarity provided in existing legislation on the fact that main rivers and watercourses are the responsibility of the Environment Agency. That should remain the case; the Environment Agency should maintain them to ensure that the flows are as good as possible, given the existing channels and water flows in those rivers, and should come up with major and minor capital schemes to improve them where we persistently and regularly encounter obvious flooding problems.

My constituency is typical of those that were badly attacked by floods in 2007—but this flooding did not just happen in 2007. We have often been told that these events happen once in 100 years, but for many of my constituents such flooding might be a two or three times in a decade event; it is becoming extremely persistent. The main reason is overbuilding on the floodplain, which is often forced on the council against its will and when its judgment was rather better. In such situations, I have always encountered a secondary problem of inadequate facilities and the inadequate maintenance of facilities. That means that water flows are impeded or are simply too great for the facilities provided by the Environment Agency, the water company and, in some cases, the local authority, and thus there is bound to be another flood. I hope that the Minister will give us some comfort in addressing the initiative proposed by my hon. Friend the Member for Vale of York (Miss McIntosh).

Let us consider the problems in my area. The River Emm is a rather small stream at most times, but can swell quickly; the River Loddon is a fairly big river, because it is close to joining the Thames by the time that it flows through my area; and on the edges there is the Thames itself and some Thames floodplain. All of those flood, and it is clear that some of the problem is the aggravation that comes from improper maintenance. All too often branches get caught in the River Emm, resulting in the detritus of leaves, litter and so on which creates a mini-dam at various places along the watercourse. Vegetation grows extremely quickly in the rather wet summers that we are having these days and that creates another barrier to the free flow of water. Clumsy people sometimes do not help the matter by putting a shopping trolley or an old pram into the river, thus adding to the trees and the vegetation, and before we know it, there is a dam in the river. Maintenance work cannot be done once a year; people have to be sent out regularly to inspect and to supervise. If a little work were done often, it would not be so expensive. We need boots on the ground; we need someone who walks the course. We need someone who has the tools and equipment necessary to remove that detritus.

One of the obstacles on the Loddon, which is a bigger river, results from the fact that people dropped a lot of masonry some years ago when they were building a bridge—undoubtedly this was a public sector project that caused problems. These people never bothered to take the masonry out of the river bed and so at a very crucial point where the river abuts a pub and houses there is insufficient depth. That is where it naturally floods. It also usually floods the main Reading road.

In the most recent bad floods, all the main roads to Reading were cut off, with the exception of the motorway. It is odd when someone in high-tech valley 35 miles from London cannot for a whole day make a simple journey into the main town in the middle of our high-tech valley because the rivers have not been kept clear or the necessary capital works have not been carried out to handle the water. I hope that the Minister will take this more seriously.

I am glad that the Liberal Democrats support the proposal. Their spokesman, the hon. Member for Cheltenham (Martin Horwood), has brightened up our debates, because it is the first time that I have seen someone come along with carefully prepared and beautifully typed-out scripts on each of the provisions, with his notes on the Liberal Democrat amendments on yellow paper, his notes on the Conservative amendments on blue paper, and his notes on the Government amendments on light pink paper—that paper should probably be dark red now, as they have moved on.

Huw Irranca-Davies: Deepest red.

Mr. Redwood: Exactly. I am sure that the Minister is upset that the notes on the Government amendments are only on mild pink paper.

6.45 pm

Martin Horwood: I can reassure the right hon. Gentleman that if he had tabled any amendments, the notes on those would have been on extremely dark blue paper.

Mr. Redwood: I think that was a compliment, but I cannot be sure. The hon. Gentleman's well-prepared support is welcome, and I am sure that he speaks for his community, as I speak for mine. I think that all sensible right hon. and hon. Members of this House would wish to support this proposal, because it is clear and positive, and it addresses one of the reasons why we have all too frequent flooding in our constituencies despite the fact that a stitch in time—simple action—would save nine.

The proposal would even be a public expenditure cut, and we need that at the moment. Little-and-often maintenance would mean that we would not have huge clear-up and clean-up costs and we would have none of the bureaucracy that one encounters after a big flood, when one sees inquiries, lawyers, highly paid executives, more quangos and more legislation. I assure the Minister that we are not short of any of those things.

When dealing with the flooding issue I have found all too many expensive and intelligent people to whom to talk, write or complain, or to receive memos or arguments from. I have met all too many people who work out strategies and plans, and who tell me why one cannot do it today but that one might, after spending a long time in a queue, be able to do it tomorrow. As I keep saying to these people, all we want is someone who does something: a man or woman in a digger who clears a ditch; someone who puts a new pipe in; someone who goes out to cut the vegetation down; or someone in a pair of gumboots with good sturdy tools that can clear a ditch that is too small for a digger to go down. That is what we need. I suspect that it would cost a lot less than the massive bureaucracy that this legislation and its predecessors have created. I want an Environment Agency that actually gets out there and does some physical work; I do not want an Environment Agency that gives 1,000 clever excuses while my constituents continue to be flooded.

Bob Spink: I have an Environment Agency that is pragmatic and is out there working right this moment, looking at Canvey Island's defences. It is led by Daffyd Davies, the area manager. He is a fantastic man and I congratulate the Environment Agency warmly, as it is helping to defend my constituents. I shall discuss that in a moment, but first I must congratulate the Government on this Bill. In particular, I must congratulate the Minister, who has driven the Bill through in his characteristically courteous style.

I shall ask the Minister to go a little further tonight on new clause 20, which was tabled by the hon. Member for Stroud (Mr. Drew) and which I support strongly. I particularly ask the Minister to provide help, because of what the hon. Member for Hayes and Harlington (John McDonnell) said about this perhaps being our last chance for a number of years to put the role of the fire service on a statutory basis. Such an approach is necessary, and it is what new clause 20 and the other new clauses seek to do. It would enable the fire service to get proper training, equipment and clothing—we have heard about those things tonight—so that it can carry out its flood rescue responsibility, which it does assiduously and extremely well and for which we are all very grateful. The proposal would also give greater protection to certain fire stations, such as the one on Canvey Island, which I have fought to save on two occasions since I first came to this House in 1992—thankfully, I fought successfully. I hope that I do not have to fight again, but if I did, a statutory duty in respect of flood rescue would make my task that much easier.

I am sorry if I misrepresent the Conservative Front-Bench team when I say that my feeling was—they will correct me if I am wrong—that they did not seem fully supportive of new clause 20 and its proposal to put the fire service's flood rescue responsibilities on a statutory basis. I am sorry if that is their position, and I know that my constituents will be sorry too. I hope that the Minister will indicate a willingness to help the House. If he does not do so, I hope that we can put the matter to a vote and see where everybody stands on it. I shall certainly be voting for new clause 20.

Let me set the issue in context. Canvey Island was a victim of the big flood of 1953, when 58 men, women and children were drowned. They died in that flood; this is not an academic matter for my constituents. Almost 10 times as many people are now living on the island, and they still have totally inadequate access arrangements. An evacuation in an emergency situation would be problematic. We see the probability of emergency situations arising and of extreme weather events and flooding increasing. The 1,000-year flood defence that was put in for Canvey several decades ago might now need to be carefully managed. That is why I am so grateful to the Environment Agency for keeping a sound weather eye on this matter.

That brings me to the next issue, which is my final point, as you will be pleased to hear, Madam Deputy Speaker. It is addressed by new clause 9, which was tabled by the Conservative Front Benchers. I support the new clause and think that it is extremely sensible. I congratulate them on it. It goes to the heart of the effectiveness of the Environment Agency. It provides it with staffing, resources, equipment and clout—as it was put a moment ago. It would make the Environment Agency more effective in controlling and minimising flood risk if Environment Agency advice to local planning authorities was put on a statutory basis and made binding on those local authorities. At the moment, the agency is a statutory consultee when there is a proposal to develop on the floodplain, but agency advice objecting to that development does not have to be followed by the planning authority. It sometimes is not—too often it is not.

We end up with development on the floodplain that is dangerous not only for the people who will eventually occupy that development, but for everyone else. It removes flood storage, increases concrete instead of drainage and displaces flood water so that the flood levels in other areas of that community are higher than they would have been if the floodplain had not been developed. That is why I introduced a private Member's Bill to make the Environment Agency's objection to building on the floodplain binding in law. If that were done, it would help me to stop my local council's plans to put hundreds more houses on Canvey Island's floodplain, even without proper access for people to be evacuated, putting everyone else on Canvey Island at greater risk of increased flood levels—

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Gentleman is now straying rather wide of the group of amendments that we are discussing, albeit it is a large group of amendments.

Bob Spink: I am delighted that you allowed me to go as far as you did, Madam Deputy Speaker. I commend you for that and I shall allow my remarks to rest.

Huw Irranca-Davies: Again, we have had a good and full debate. May I begin by thanking the hon. Member for Castle Point (Bob Spink) for his kind words about the work of the Environment Agency? We can always criticise the agency, but let me remind hon. Members that in Cumbria, where only 80 per cent. of the Carlisle defence work was due to be completed in February, the Environment Agency, with its contractors, worked through the night to ensure that the final 20 per cent. was shored up with temporary defences. That saved homes and people in Carlisle, which was not flooded. Where criticism is due, it is due, but although it is very easy to criticise the work of the EA, I see it improving constantly. Its integration with communities on the ground and with local authorities is getting better every day, and I welcome the hon. Gentleman's words.

[Huw Irranca-Davies]

Let me begin with my customary assault on the "glass-half-empty" brigade. I did not expect the hon. Member for Tewkesbury (Mr. Robertson) to sign up to that point of view. He said that there was not enough in the Bill to address flooding. Let me reassure him and the right hon. Member for Wokingham (Mr. Redwood), whose contribution to the debate I welcome. The Bill implements the key recommendations from Pitt, including those on clarity of leadership locally and strategically on a national basis. It will make substantial improvements to flood risk management. That is what the Bill is about. However, it is not the be all and end all. We have made good progress in many areas already that do not require legislation. I refer hon. Members to the way in which this Bill fits in with our wider work, as shown on the Pitt progress report back on 15 or 16 December, which showed exactly how much work has been done. Rather than the glass being half empty, it is more than half full.

Let me reassure the right hon. Member for Wokingham. This is not just about clear leadership—that is the fundamental point of the Bill—but about clear co-ordination and leadership on the ground, too, as regards flood risk management. Let me pick up on the point made by a couple of Members, including the hon. Member for Brecon and Radnorshire (Mr. Williams), on the maintenance of watercourses. The Bill does not distinguish between maintenance and capital works. It provides for a wide range of approaches that will be used only when they are more effective than conventional methods. The national and local strategies will set out how risk is to be managed and provide for a better planned approach. That is likely better to identify clearly on the ground those issues that need prioritisation, including maintenance.

Let me pick up on the point on the publication of what the Environment Agency is doing and the communication of it. The Environment Agency and wider government are working always to make information more accessible. I see it myself. The local flood risk management strategy in the Bill should provide a very useful starting point, particularly since clause 9(7) requires it to include guidance about the availability of relevant information. The deliverables—maps, plans and assessments of work being carried out—from the floods directive will also help, since they present co-ordinated information. Maintenance schedules, in line with Pitt recommendation 25, are published on the regional pages of the EA website.

The hon. Member for Vale of York (Miss McIntosh) asked why some of the technical amendments—she is right, they are technical—are coming so late. To pick up on the comment made by the hon. Member for Cheltenham (Martin Horwood), Government amendments 31 to 34, 48 and 49 are being tabled not late but in good use of my role as a Minister. They respond to amendments that were proposed in Committee. I make no apologies for bringing them forward late—they actually respond to what we heard. Amendments 31 to 24 are tabled in response to amendments from my hon. Friend the Member for Newport, East (Jessica Morden) and others, whereas amendments 48 and 49 are tabled in response to proposals from the hon. Member for Brecon and Radnorshire and others. I am glad to be able to introduce them.

Mr. Redwood: I wish I shared the Minister's enthusiasm for the clarity of the Bill as drafted. It leaves plenty of scope for legal and budgetary rows between the Environment Agency and the principal council in each area under the consultative and committee structure that he has set down.

Huw Irranca-Davies: I disagree fundamentally. Without veering too far off the subject of the amendments before us, I want to say that the Bill has two aspects. One is the clarity of lead responsibility, both locally and nationally, and the other is a duty to co-ordinate and share information as well as to co-ordinate responsibilities on the ground. Those for whom the glass is half empty, will say that that allows opportunity for fuzziness and legal challenge, whereas I would say that there is a duty in the Bill that will compel people to co-ordinate their activities on the ground. Curiously, that is what has been asked for, including by the right hon. Gentleman's colleagues: for example, we have been asked to allow lower-tier authorities, internal drainage boards and local flood risk management groups to key into what the Bill does. What he would interpret as legal obfuscation, I would interpret as the necessary flexibility with clear accountability. However, I am going away from the amendments, so let me move on.

New clause 2 was tabled by the hon. Members for Vale of York and for Upminster (Angela Watkinson)—in fact, five amendments in the group were tabled by the hon. Ladies. Most of these issues were thoroughly debated in Committee, as the hon. Member for Vale of York pointed out. I shall try to convince her and others again, but I have a feeling I shall not. Let us see how we go. I have good intentions, and I hope for good outcomes.

New clause 2 would require the Environment Agency to undertake a programme of annual maintenance work on major watercourses, with quarterly reports to both Houses of Parliament. As a devolved matter, reports would also need to go to the National Assembly for Wales. As I explained during Committee, the Government are committed to taking a risk-based approach to maintenance, and that approach has been endorsed in recommendation 25 of Sir Michael Pitt's review. The EA's progress on the maintenance programme is reported to regional flood defence committees in quarterly meetings that are public, not held behind closed doors. Minutes are available, and that transparency allows anyone, including Parliament and its Members, to take an interest in maintenance schedules where there are concerns or simply a desire to do so. The Bill also improves the arrangements for additional local authority influence and for the scrutiny of flood and coastal erosion risk management activities in each area. That approach is, again, consistent with the relevant recommendations of the Pitt review, and it is right that authorities should be held to account by local democratic bodies. I therefore do not believe there is a need for additional legislation on this matter.

7 pm

The hon. Member for the Vale of York has also tabled new clause 9, which would require the Secretary of State to

"make an assessment of the staff, equipment and resources required by the Environment Agency to implement the provisions of the Act".

Let me remind her that Government funding for flood and coastal erosion risk management has increased significantly in recent years and will reach £780 million in 2010-11. That compares with Government funding of £600 million in 2007-08, and—let us go back a little—funding of £310 million in 1997-98. All the costs and benefits of this legislation have been set out in the impact assessments that were published alongside the Bill, and more detailed assessments will accompany the regulations and orders that will come from it. Further assessments will be made at the next formal spending review and as part of the Environment Agency's business planning processes, in which wider pressures and capacity issues are assessed by the agency and the Government.

The hon. Lady asked about capital expenditure and about the increase in the figures that I have used but not in EA spending on maintenance. As I have said, the focus on funding has been on capital improvements, but the funding of maintenance has not been neglected. Some capital projects will include work to improve and extend the effectiveness of existing assets, and we are working with authorities to ensure that they take a proper, whole-life approach to asset management. The hon. Lady, the right hon. Member for Wokingham and the hon. Member for Tewkesbury all made the point that regular maintenance must be seen to be done. Let me refer again to the local flood risk management strategies that provide for the first time a proper, joined-up, co-ordinated, area-wide, and—that horrible word—holistic approach to the management of risk in an area. Those strategies can include the responsibilities of the Environment Agency as well as those of the local authority. They will ensure that the priorities that the hon. Gentlemen and the hon. Lady have articulated can be identified, and that available resources can be used to best effect. Local and national strategies will also clarify roles and responsibilities.

The hon. Members for Vale of York and for Upminster tabled amendment 5, which refers to instigating, publishing and having regard to an independent review of the recruitment, training and equipment costs that will be incurred by local authorities. We discussed that issue in depth in Committee, but it is worth restating that the Government have carefully assessed the new burdens that we are placing on local authorities and that we are committed to providing the necessary funding in full. From commencement, we will provide an extra £36 million a year to lead flood authorities, in area-based grants, to fund their new role in England. That will allow local authority-led flood management activity to triple from around £18 million to £54 million a year. There were long discussions in Committee about similar amendments, and hon. Members will recall that I undertook to put on to a formal footing the discussions that we are already having with the Local Government Association about cost and resource implications. Since then, officials have had detailed discussions with the LGA about the terms of reference for a joint implementation review panel. Rather than consider this issue in one, two or three years' time, we are putting it on a solid basis. I have written formally to Councillor Gary Porter of the LGA to seek his agreement to co-sponsor the panel, and I hope that the first formal meeting will happen shortly. We hope to gain from those discussions a clearer understanding of the LGA's position, because we do not think that we have done anything unusual in our assessment. The purpose of the panel will be to investigate concerns and to flesh these matters out.

The hon. Member for Vale of York has tabled amendment 28 on another matter that was thoroughly debated in Committee. It would require the EA, when doing environmental works, to have regard to the national flood and coastal erosion risk management strategy and to create no increase in harmful effects. Like the hon. Member for Cheltenham, I would not like to be the person who had to balance the relevant considerations on that issue. The amendment appears sensible on the face of it, but the Government think that it might render the provision useless. I support the need to have regard to the national strategy, but the Bill already goes further, in clause 38(5), by making the same requirement in respect of local strategies and local and national guidance. That part of the amendment is unnecessary. The wording in the draft Bill was altered in the final Bill in response to representations that simply prohibiting work that increases any of the harmful consequences that I have mentioned would render the powers unworkable. That is because any flooding or erosion caused for the purposes set out in clause 38 would almost inevitably impact on some aspect of the things listed in clause 2. That is why clause 38(3) requires that the benefits of the work must outweigh the potential harmful effects mentioned.

The hon. Members for Vale of York and for Upminster have also tabled amendment 4, which would require reports that are made by the EA under clause 18 to be laid before both Houses of Parliament and to be approved by a resolution of each House. I share the hon. Ladies' ambition and interest in ensuring that there is proper scrutiny of flood and coastal erosion risk management, but I do not consider the amendment to be necessary or appropriate. The Government intend to ensure that the EA reports regularly on the management of flood risk from all sources. The publishing of those reports will mean that the public and wider stakeholders with an interest in flooding, as well as MPs, are informed about flood management. The Select Committee on Environment, Food and Rural Affairs will also be able to scrutinise reports and to invite evidence as appropriate.

My hon. Friends the Members for Stroud (Mr. Drew), for Vauxhall (Kate Hoey), for Hayes and Harlington (John McDonnell), for Hendon (Mr. Dismore) and for Luton, North (Kelvin Hopkins) have tabled new clause 20, which would require fire and rescue authorities to put in place provision for rescuing people in the event of major flooding, including from large, raised reservoirs. On this point, the hon. Member for Vale of York talked about not simply assuming that those services will turn up. Fire and rescue authorities undoubtedly have a critical role to play in flood response, including flood rescue, working alongside other response agencies such as the Royal National Lifeboat Institution and, as happened in Cumbria, the Ministry of Defence. That was shown to good effect in Cumbria, but I am interested in the comments of my hon. Friend the Member for Hayes and Harlington about the feedback that he has received. Perhaps we should explore that issue further. In Cumbria, the response was effectively supported by the deployment of the national new dimension programme, which brings together assets on a regional and national basis from other fire and rescue services. It was also supported with flood rescue boats from the RNLI and help from the Maritime and Coastguard Agency and mountain rescue services. That co-operation provided effective co-ordination of equipment across the region in what

was an emergency situation. However, I am interested in discussing with my hon. Friend and others anything that they have picked up on the ground.

Miss McIntosh: I hope that the Minister will address two issues. First, the amendments rightly identify that there is no legal basis for expecting fire crews to turn out. That is addressed by the Civil Contingencies Act 2004 to some extent. The second problem, which follows on from that, is that the necessary funds do not follow that statutory duty. That poses real problems for local authorities.

Huw Irranca-Davies: The hon. Lady makes a good point but she anticipates what I am about to say. If she will bear with me, I promise that I will get to the matter that she raises.

It has rightly been pointed out that the issue of a statutory duty was raised by Sir Michael Pitt in his report on the 2007 floods. The Government support Sir Michael's recommendation that a fully funded national capability for flood rescue should be put in place, with fire and rescue authorities playing a leading role, underpinned if necessary by a statutory duty.

My hon. Friends the Members for Hayes and Harlington and for Stroud pointed to the use of the phrase "if necessary". The House may not be aware that DEFRA has been taking forward work in advance of this Bill to bring together the key stakeholders—that is, Departments and responder organisations—in a project that responds specifically to Pitt's recommendation.

The project is designed to improve flood rescue capability and co-ordination. So far, it has focused on putting in place a co-ordinated, multi-agency flood rescue capability, as we want to bring all the relevant agencies together. The flood rescue concept of operations, as it is called, is currently in draft and will help clarify the roles and responsibilities of flood rescue responders. Therefore, part of my argument to my hon. Friend the Member for Hayes and Harlington is that we have not waited. We have already started the project, and many of the agencies are submitting ideas to get the flood rescue concept of operations right.

Both the fire and rescue service and the RNLI, among others, are participating actively in the project, and have provided project team members as well as members of the project board. The Government have agreed that the remit of the fire and rescue service national co-ordination centre, which has been established to co-ordinate the national mobilisation of the so-called new dimension assets, can be extended to include flood rescue assets from all flood responder organisations.

In the current spending review, we have made available up to £2 million to enhance our flood rescue capability. A strategy for the best use of that money is being developed, not just with me as the Minister, but with responder organisations such as the fire and rescue service.

I want to make it clear, for my hon. Friend the Member for Hayes and Harlington and for all those who have spoken in support of the amendment, that we do not reject totally the idea of a statutory duty option "if necessary", as Sir Michael Pitt said. Our assessment at the moment is that that duty is not clearly needed, right here and right now, although we are already doing work in that direction.

On completion of the project, and having assessed the improved flood rescue capability, the Government will consider whether the roles and responsibilities of the organisations involved need any statutory underpinning, or whether continued co-ordination and further guidance will be sufficient. We need to let the project show what it can deliver.

Mr. Roger Williams *rose—*

Huw Irranca-Davies: I want to deal with some of the details, as that might answer a few of the issues that the hon. Gentleman wants to raise.

The roles of the fire and rescue authorities are already defined. With regard to responding to emergencies, they have specific duties in relation to fires, road traffic accidents, mass decontamination and urban search and rescue. In addition, under section 11 of the Fire and Rescue Services Act 2004, they have the power to prepare to deal with the many other emergencies that may affect their area. If it is concluded that flooding is a risk in an area and that it has the potential for harm, the fire and rescue authority has the power to secure resources to enable it to respond. One effect of that permissive power is that some fire and rescue authorities have procured boats for the rescue of people trapped by floods.

My hon. Friend also raised the interesting point that an amendment could be introduced later in another place. I should be pleased to discuss the matter with him and other colleagues, as well as with members of the Fire Brigades Union executive, whom I am always happy to meet. However, I am not sure that all hon. Members are aware that a power already exists, in section 9 of the 2004 Act, to direct the flood response of fire and resilience authorities. The power allows the Secretary of State, by order and following consultation, to place a duty on fire and rescue authorities to respond to particular types of emergencies. Therefore, the power that my hon. Friend may be thinking about seeking, either here or in another place, already exists.

7.15 pm

We already have a project under way. Sir Michael Pitt said a new power might be needed to fill a statutory gap "if necessary". My point is that we already have such a power if, on completion of the project, we are minded to use it.

John McDonnell: I welcome the Minister's response, which I am finding extremely constructive. However, the power to which he refers is very specific and narrowly defined, in that it responds to a particular type of incident. We are seeking a more general and much broader duty on fire and rescue authorities to respond to incidents, but I welcome the opportunity for further discussion in advance of the Lords debate.

Huw Irranca-Davies: I think that it would be helpful to sit down and go through these matters in advance of the Lords debate, to use my hon. Friend's phrase, to see whether there is a way forward. I often describe myself as the reluctant legislator, as I do not believe in introducing new statutory requirements just for the sake of it. If a power already exists that we can exercise if we need to, I believe that we should use it. However, if it turns out that no such power exists, then he and I should talk.

John McDonnell: To clarify the matter, my proposal is designed to enable the Bill to be completely flexible, with a discretionary power allowing the Secretary of State to act without having to come back to the House to secure primary legislation.

Huw Irranca-Davies: Yes, and I am saying that we already have the necessary power. However, we should have a good look at the matter.

The hon. Member for Upminster asked whether the flood and rescue services had the right equipment, uniforms and so on. That is an important question, and DEFRA's flood rescue national enhancement project, which involves the fire and rescue authorities, includes the flood rescue concept of operations. We did not wait for Pitt or for this Bill, as the project already under way also covers the equipment needed in various scenarios and a national asset register, as well as a gap analysis to see whether, and where, we have shortages in national capacity.

The gaps in Cumbria were filled by proper preparation and by drawing in resources from the surrounding area. In addition, and as I said, we have already put in £2 million to address gaps and deficiencies.

Angela Watkinson: Will the Minister respond to the specific point that firefighters should not be expected to respond to flood emergencies wearing clothing that is intended to protect them from fire?

Huw Irranca-Davies: That is exactly the point that I was addressing. The project is designed to identify the gaps in the big resources such as pumps and boats, but also in those resources—uniforms and so on—that are essential to all persons encountering a flood situation.

The hon. Lady also asked about who had overall control in an emergency. That is already very clear. In his recommendation 42, Pitt said:

"Where a Gold Command is established for severe weather events, the police, unless agreed otherwise locally, should convene and lead the multi-agency response."

In Cumbria, therefore, police took the lead overall but, in that arrangement, the fire and rescue authority had clear responsibility for the co-ordination of rescue, including by boat, while the Ministry of Defence co-ordinated the helicopter. The fire and rescue authority will always be part of the multi-agency grouping put together under both gold and silver commands.

Mr. Roger Williams: As I see it, the problem goes beyond resources such as the pumps and boats needed for rescues, to include the running costs incurred by extra overtime and call-out pay for retained firemen. Those costs lead to extra expenditure on the part of the fire and rescue services, for which they are not resourced in any way. It is all very well to lay down duties and powers, but they have to be resourced with finance.

Huw Irranca-Davies: Indeed, but the fire and rescue services are not the only ones that need to be resourced. In Cumbria, the resources of the Ministry of Defence, the police, voluntary groups and so on also took a hit. The issue is about capability, rather than simply a statutory duty. Do we have the co-ordination and capability on the ground to respond not only to localised traumatic weather and flooding, but, as in the case of Cumbria, to situations that extend way beyond local capabilities? Is the planning and capability in place? That is exactly what the project is meant to address.

I shall deal quickly with amendments 24 and 25, which would include fire and rescue authorities in the definition of a risk management authority and, of course, a Welsh risk management authority. I have already said that fire and rescue authorities are critical to managing floods, but that does not mean that it is appropriate to make them risk management authorities under the Bill. There is a clear reason why: the latter bodies have a key role in managing and reducing risk, rather than in addressing emergencies and recovery. They are two separate things. They all have a role to play in managing water, whether through drainage systems, watercourses, reservoirs or otherwise, but the latter bodies will be bound by a duty to act consistently with national strategy and, with the exception of water companies, local strategies. They have to play an active part in putting the strategies together, co-operating with partners and sharing information, and we would not want to put such demands on fire and rescue authorities. Similar points apply to amendments 26 and 27.

Government amendments 31 to 34 address an issue, which my hon. Friend the Member for Newport, East raised in Committee, about the burden for local authorities in clause 19. It is important to ensure that local authorities are required only to take proportionate action. That has always been the policy, but we have agreed to clarify it. The amendments make it clear that local authorities need not ensure that they are aware of each and every flood incident, and that an investigation would be required only to the extent that it was considered necessary or appropriate. The amendments will ensure that local authorities are not unintentionally burdened.

Finally, amendments 48 and 49 respond to the amendments that the hon. Members for Brecon and Radnorshire and for Cheltenham tabled in Committee. Our amendments would clarify that those who own or occupy land likely to be directly affected by any works under clauses 38 and 39 must be consulted. When the time comes, I shall therefore move amendments 31 to 34 and 48 and 49.

I hope that I have dealt with all the other aspects of the debate, and I hope that in the light of my comments the hon. Member for Vale of York will agree to withdraw new clause 2. I hope also that my hon. Friend the Member for Hayes and Harlington, on the basis of meeting me with some FBU members to explore his points further and to see whether we already have the provision that he looks for, will not press his amendment to a vote.

Miss McIntosh: Being mindful of our discussion, the hour and the debates yet to come, and with the proviso that we might return to our proposed change at a future date, I beg to ask leave to withdraw the clause.

Clause, by leave, withdrawn.

New Clause 3

PILOT SCHEMES FOR ADOPTION OF PRIVATE DRAINS

"The Environment Agency must establish a pilot scheme with the aim of—

(a) auditing all private drains and sewers;

(b) assessing their condition;

(c) estimating the likely cost of adopting all private drains and sewers in 2011, and

(d) estimating the likely cost on customers' bills.'.—*(Miss McIntosh.)*

Brought up, and read the First time.

Miss McIntosh: I beg to move, That the clause be read a Second time.

Madam Deputy Speaker: With this it will be convenient to discuss the following: New clause 5—*Sustainable urban drainage systems*—

'A full definition of Sustainable Urban Drainage Systems (SUDS) is "Sustainable drainage systems or sustainable (urban) drainage systems: a sequence of management practices and control structures designed to drain surface water in a more sustainable fashion than some conventional techniques (may also be referred to as SuDS).".'.

New clause 6—*Ownership and maintenance of sustainable urban drainage systems*—

'It shall be stated which body has to be responsible for—

(a) the ownership, and

(b) maintenance of sustainable urban drainage systems.'.

New clause 7—*No automatic connection to waste water pipes for major new developments*—

'(1) There shall be no connection to waste water pipes or drains granted until—

(a) water companies have been consulted on the capacity of the existing system to manage the extra demands from the new properties;

(b) water companies have conducted a detailed assessment of the likely extra demand and the capacity of the existing system to handle it;

(c) financial responsibility for building the extra infrastructure has been apportioned, and

(d) formal planning permission has been given.'.

New clause 8—*Water companies to be statutory consultees*—

'(1) The relevant planning authority for all major new developments must consult equally—

(a) water companies and

(b) the Environment Agency.

(2) The consultations must—

(a) be in accordance with PPS 25;

(b) establish the impact of the proposed new development on the local drainage system, and

(c) inform the planning application process.'.

Amendment 13, in clause 42, page 27, line 10, leave out from 'constructed' to end of line 12 and insert—

'(b) provisions for preventing the public sewerage system from being overloaded,

(c) provisions for preventing discharges from the public sewerage system from being in breach of—

(i) the rights of landowners and riparian owners, and

(ii) any statutory restrictions and consents,

(d) provision about adoption of the drain or sewer by the sewerage undertaker,

(e) requirement for such security as the undertaker may reasonably require for the discharge of all obligations under the agreement.

(4) For purposes of paragraphs (b) and (c) provision must include—

(a) reinforcement of the public sewerage system, and

(b) connection points between the drain or sewer with the public sewerage system.'.

Amendment 16, in page 27, line 35, at end add—

'(8) As soon as practicable after the bringing into force of this section, the Secretary of State shall make such building regulations under section 1 of the Building Act 1984 as may be necessary for the purposes of this section.'.

Amendment 17, in page 28, line 7, at end insert—

'(4) At the beginning of subsection (4) of section 105A (schemes for the adoption of sewers, lateral drains and sewage disposal works) insert "Subject to section 105AA".

(5) After section 105A of the Water Industry Act 1991 insert—

"105AA Transfers of sewers and property rights

(1) A sewerage undertaker shall not be required to make a declaration pursuant to a scheme made under section 105A in relation to—

(a) a sewage disposal works; or

(b) a sewer or lateral drain forming part of a sewerage system which—

(i) incorporates one or more pumping stations, or

(ii) drains to an outfall,

until the undertaker has acquired all the property and rights described in subsection (2) below.

(2) The property and rights referred to in subsection (2) above are—

(a) all lands, easements and other rights necessary for securing, maintaining and operating the sewage disposal works, pumping stations and outfalls; and

(b) all consents to discharge that may be required under Part III of the Water Resources Act 1991 (Control of pollution of water resources) in relation to the sewers, lateral drains, pumping stations, sewage disposal works and their associated outfalls.

(3) The sewerage undertaker must use its best endeavours to acquire the property and rights referred to in subsection (2) above, in particular (in relation to the property and rights referred to in subsection (2)(a) by offering to enter into agreements with the owners of such property and rights for the acquisition of those property and rights on such terms as may be reasonable.

(4) Any questions arising under subsection (3) above between the sewerage undertaker and an owner of any property or right referred to in subsection (2)(a) above over the terms on which the property or right should be acquired may be referred by either party to the Authority for determination under section 30A above."'.

Amendment 14, in page 28, line 12, at end add—

'(5) The requirement under Condition 2 must comply with regulations made by the Minister.'.

Amendment 18, in page 28, line 12, at end add—

'(5) After "1st September 1989" in subsection (7) of section 199 (Sewer maps), insert ", or adopted by it under a scheme made pursuant to regulations made under section 105A,"'.

Amendment 2, in schedule 3, page 50, line 1, at end add—

'(c) increasing the efficiency of the use made of available water.'

Amendment 3, in page 50, line 16, at end add—

'(f) protecting health and safety, and

(g) increasing the efficiency of the use made of available water.'.

Amendment 23, in page 51, line 5, leave out 'county council' and insert

'local planning authority (as defined in section 1(1)(b) of the Town and Country Planning Act 1990)'.

Government amendments 53 and 54.

Amendment 19, in page 54, line 26, at end add—

'(4) The Minister shall ensure that provisions are in place which guarantee the cost of a new development's connection to a SUDS and sewerage system are born equally by the new households that benefit from the new connection.'.

Government amendments 55 and 56.

Amendment 15, in page 59, line 4, at beginning insert—

'(1) At the end of section 1A add—

"1B New drainage systems

(1) In making building regulations, the Secretary of State shall have regard to the requirements of section 106B of the Water Industry Act 1991."'.

Miss McIntosh: I shall make some introductory remarks before speaking specifically to our group of proposed changes, which, if the House will bear with me, range over a number of issues.

Recommendation 10 of the Pitt report goes to the heart of this group of proposed changes and, I would argue, to the heart of the Bill's purpose and aim. In that recommendation, Pitt clearly concluded:

"The automatic right to connect surface water drainage of new developments to the sewerage system should be removed."

I hope that this is just a semantic difference, but in Committee we had quite a debate—one might almost say a major argument—about whether the automatic right to connect related only to SUDS, whether we understand SUDS to mean sustainable urban drainage or sustainable drainage systems, and new drainage. The purpose of this group of proposed changes is to give effect to Pitt's overall aim, which is what I believe the Government intended. If we are to give legal effect to recommendation 10, we have to follow through the logic of Sir Michael Pitt's argument, and that involves sustainable drainage relating not only to existing ponds, which might relate to major developments, and highway overflows, but to major new developments. I hope that I can carry the Minister and the House with me.

New clause 3 sets out the framework and scope for pilot schemes on the adoption of private drains. I have introduced the proposal because I understand that the Minister still cannot tell us the status of the investigations. Ofwat, as part of the agreed 2009 price review, has set aside substantial amounts of money to undertake those investigations, and I understand also that the Minister is in default by not having come forward with the guidance that is required to give legal effect to the transfer of lateral drains and sewers by 2011. The water and sewerage companies say that the guidance should be consulted on now, well before the election, whatever that may bring, so that the Government can meet the obligation to introduce the transfer from 2011.

I am sure that the Minister, like other right hon. and hon. Members, will have received a huge amount of correspondence from the small drainage companies—not exactly the Dyno-Rods of this world, but the small family firms—undertaking repairs that are small in size but large in number. Throughout, they have vociferously argued that they have not been properly consulted on the transfer and adoption of private drains and sewers. I should like the Minister to tell us what consultation has taken place and what assurances have been given to those small family firms. The Dyno-Rods of this world will probably continue. I do not know Yorkshire Water's position on the matter, but even a major water company, such as Yorkshire Water, would be hard-pressed to undertake all the work that will be required after the transfer. It is therefore incumbent on the Minister to tell the House where we stand, because sole traders and small, family-run firms are concerned that they might be put out of business.

Martin Salter (Reading, West) (Lab): Do I have to go back to my constituents—some 1,000 electors—on the Haddocks estate in Tilehurst, who have waited almost 10 years for legislation on the drains that they thought were in the public domain but by accident discovered were not, and tell them that the laudable objectives of the Pitt review and of this legislation could be delayed as a result of new clause 3, which requires a pilot scheme to be set up and that we take cognisance of the needs of some drainage companies over people who have been living with a nightmare for many years? What exactly is the hon. Lady trying to achieve?

Miss McIntosh: I am calling not for a delay, but for a sense of urgency. The hon. Gentleman's Government have delayed bringing forward the guidance and the investigation that is needed. Some constituents, many of whom may be small employers in their own right, will owe their livings to these small drainage companies. They are saying clearly, not only to Conservative Members, I am sure, but to those in all parties represented in this House, that they are worried that they have not been consulted on this. I want an assurance from the Minister that they will be consulted and that there will be work for them in future. I want to know what pilot schemes have been in place and why there has not been an audit, where that is the case. I agree with the hon. Gentleman that we still do not know how many kilometres there are or where these private drains and sewers are. I am not calling for a delay—I am asking the Government to speed up and reach a conclusion so that we can meet their target date of transferring by 2011.

7.30 pm

Martin Salter: I am in no way impugning the hon. Lady's motives—if she wants to speak up for these contractors, she has every right to do so. My problem, as a constituency Member, is that I am looking at a new clause that says:

"The Environment Agency must establish a pilot scheme with the aim of...auditing all private drains and sewers".

In my constituency, the audit has been done, and we are merely awaiting the transfer of powers. I worry that if this provision were built into the Bill, it would put another layer of delay in the way of my constituents who have been waiting for more than 10 years for their drains to be adopted.

Miss McIntosh: I think that the hon. Gentleman and I are arguing the same case. I want the Minister to confirm that the guidance is ready to go. Those in the industry—not the small contractors but the large water and sewerage companies—are saying to us that they would like to be consulted on the guidance now. The Government have a mixed record on consulting on guidance; this is their opportunity to say that the guidance is there and ready to go, but that they have had to undertake these consultations. I have seen heartbroken people, not only in my own constituency, because we are all affected by this. I can take the hon. Gentleman to see constituents who are affected by these provisions. In the constituency of my hon. Friend the Member for Beverley and Holderness (Mr. Stuart), people had no idea that they owned these drains and sewers until they flooded in 2007.

Mrs. Maria Miller (Basingstoke) (Con): Does my hon. Friend agree that the lack of consultation of these people is symptomatic of the Government's lack of

[Mrs. Maria Miller]

detailed thinking on this entire issue? The hon. Member for Reading, West (Martin Salter) should remember that the Government promised to make these transfers in 2007. If they had taken action then by mapping out the sewerage network, perhaps they would be in a better place today.

Miss McIntosh: I entirely agree with my hon. Friend. In some areas, water companies know about this and are ready to go, but in others they are not. There are two elements involved. We need the guidance so that the industry can be consulted, and we need to reassure the smaller drainage companies that currently do this work that it is intended that they will be consulted.

In his letter to me dated 30 December 2009, the Minister seemed to indicate that the ongoing work had resulted in further consultation, but that the regulations are not yet in a position to be published. Let me repeat my question: when will the regulations be published, and what consultation has there been on them? If these regulations are not published prior to April-May, before the general election, will that delay the coming into effect of the transfer?

New clauses 5, 6, 7 and 8 relate to the definition and ownership of sustainable drainage. Most importantly, new clause 7 would write into the Bill that there will be an end to the automatic right to connect. It is unacceptable that major new housing developments are being built because of an arbitrary target that the Government have introduced to have a major housing programme of x million houses by x date. As a result, residents of fairly recent developments may, through no fault of their own, be flooded by sewage because it has not been possible for the water and sewerage companies to attach conditions and take the opportunity at the planning stage to ensure that the infrastructure will accept new capacity from these major new housing developments. I believe that the polluter should pay. The residents of houses in major new developments may be affected in the event of flooding, as we saw in the floods of 2007. As we know, Madam Deputy Speaker, if sewage is coming into your home, or the Minister's home, that is polluted water, which means that the homeowner or tenant cannot return for a substantial period because the public health hazard means that it will take longer to clean up.

New clauses 7 and 8 say that there should be no automatic right to connect. The water company should be a statutory consultee on the same legal basis that has been established with the Environment Agency, which now sets conditions. Those conditions are sometimes overlooked or overruled, and then we go on to experience flooding. In this regard, we want water companies to be treated on exactly the same basis as the Environment Agency. I would argue that new clauses 7 and 8 would go to the heart of implementing Pitt's recommendation 10 in ensuring that there is no automatic right to connect. It is unacceptable that existing customers of water companies in possibly quite recent developments should be asked to pay for any potential incapacity problems if sewage backs up and then overflows into their homes. The polluter should pay. It should be open to the water companies to say to the SUDS-approving body at the time when the planning application is sought that they can accept such conditions to reduce any potential floods. I think that the new clauses speak for themselves.

The Local Government Association has expressed concern about what the layers of approving bodies should be. As the Minister is aware, if district councils are not included, that will have perverse consequences. We try to resolve that issue in this little group of amendments. District councils, which are usually the planning authorities in two-tier areas, should have responsibility for approving SUDS relating to major new housing developments. County councils should have responsibility, as at present, for SUDS relating to the overflow from highway spillages. It is important to have clarification in that regard.

I hope that the Minister will accept, and take the opportunity to say so, that he is over-egging the amount that local authorities will save in the transfer of private sewers. Those figures are out of date. Private sewers are in private hands—they are not the responsibility of local authorities. We are also worried that because owners of private drains and sewers know that they will be transferred in 2011, there is a strong probability that their maintenance will lapse, so that when water and sewerage companies take over their ownership and maintenance there will be serious problems as regards the state of those assets, thereby imposing an unnecessary burden on taxpayers.

In passing, I ask the Minister to clarify the implications of Government amendments 53 to 56 for the IDBs and others affected and whether, in his view, there will be any financial consequences.

Amendment 13 is, I hope, fairly clear. In our view, any development should be sustainable. If a major housing development causes an overflow and spillage from the existing sewerage system, it is clearly not sustainable because it is leading to pollution and unacceptable flooding. It cannot be sustainable if the capacity is simply not there. If amendment 13 and our other amendments in this group are accepted, we will comply with Pitt's recommendation 10.

The amendments cover universal build standards; the facilitation of access to and the operation of transferred sewage disposal works, pumping stations and outfalls; and the exemption from mapping of transferred sewers. Although the Bill provides that all new sewers and drains must be built to universal build standards, it allows the connection of new sewers and drains to the public sewerage network even if those standards have not been complied with. That cannot have been the Government's intention.

Our amendments therefore suggest that adoption agreements under section 104 of the Water Industry Act 1991 should be supported by a non-performance guarantee. They further propose making it clear that adoption agreements must encompass protection of the existing public sewerage system from overloading, and thus from being a source of cost and pollution. The approval of new sewers and drains by sewerage undertakers would overlap with the functions of local authority building inspectors, so the Building Act 1984 would need to be consequentially amended so that regulations could be made to accommodate that overlap.

Our amendments would not make express provision for ending the automatic right of connection to public sewers, but they would give water companies enabling

powers to control the right to connect and hence reduce the risk of overloaded sewers, flooding and pollution.

Clause 42 will insert into the 1991 Act a new section 106B, which relates to the future of lateral drains and sewers, to which I referred earlier. We believe that the water and sewerage companies support the use of properly constructed and maintained SUDS, and that our consequential amendments are necessary to ensure that the existing system will not be overloaded by new developments. Any concerns about that problem would be satisfied by our amendments, particularly amendment 13, in my name and that of my hon. Friend the Member for Upminster (Angela Watkinson). It sets out that adoption agreements should include provisions for protecting public sewer networks from becoming overloaded by the connection of new sewers, provisions for the reinforcement of the public sewer network if necessary, and provisions for water and sewerage companies to determine the point at which the new sewer is connected to the existing public sewer.

The amendment would also require the agreements to include a requirement for a non-performance guarantee or security to be provided by the developer, so that it could be called upon should they fail to complete the work or to construct a sewer to the required standards. That would allow a water and sewerage company to complete or rectify the works at no cost to itself.

The Minister might say that the Government are unable to accept the amendments because they will not enable them to meet their housing targets and because house builders will respond unfavourably. I believe that he is wrong in that regard and that if he follows the logic of our arguments, he will see that it is important to end the automatic right to connect and to recognise that water and sewerage companies should have the same legal basis as the Environment Agency. That is important not necessarily so that they can block major new developments from proceeding, but so that they can attach conditions to ensure that if there is any pollution, the developer will pass the potential costs on to the new householders. Amendment 19, to schedule 3, effectively sets that out. As I have said, it is unacceptable that through no fault of their own, existing customers of a water company should be asked to pay. Amendment 15 would make good the building regulations in that regard.

7.45 pm

The amendments go to the heart of the Bill. I hope that the Minister will agree that schedule 3, which deals with what will happen once a potential new drainage system or SUDS has been approved by the SUDS approval body, should be amended as we suggest so that the automatic right to connect is ended. The amendments would also allow the water and sewerage companies to become the owners of SUDS, which would be consistent with their statutory duty to drain effectively. Sustainable drainage already exists between household drains and the public sewer network, and both of those would be the responsibility of the sewerage undertakers. Ownership and operation of them by those undertakers would enable them to manage the whole network more effectively and efficiently. They have the skills and resources to carry out the work, and while the Bill was in Committee local authorities made it plain to us that they did not have that. Under the amendments, the undertakers would be funded to deliver their service efficiently through the price control mechanism. I hope that the Minister and the House will be minded to support us in our quest to have that important provision written into the Bill.

Martin Horwood: The amendments address hugely important issues. I am concerned, however, that there are real problems with new clause 3, as there were with the identical clause tabled in Committee. I agree with the hon. Member for Reading, West (Martin Salter), who is no longer in his place, that enforcing the establishment of pilot schemes and a long-winded assessment exercise could delay a move that residents in Cheltenham, and I would guess in York and elsewhere, need to happen as soon as possible to tackle a considerable cause of distress and cost to individual householders.

We all know that the transfer of private drains and sewers needs to take place, and that it will be done at some stage. We already have an impact assessment, and Ofwat has done work to estimate the likely impact of adoption on household water bills—up to £12 per household per annum. Perhaps the hon. Member for Vale of York (Miss McIntosh) does not trust Ofwat or the impact assessment to have produced the right answer, but in that case she might not trust the Environment Agency's assessment of the pilot scheme either. I am sure that the new clause is well intentioned, and it certainly addresses an important issue, but the consequence of it could be to leave residents vulnerable to continued unexpected bills running into thousands of pounds, and to cause huge problems to individual households.

I have some problem with new clauses 5 and 6, in that they both refer to "sustainable urban drainage systems". Members who were not on the Committee will not know that we had considerable discussion on the precise definition of SUDS, and after considerable debate we established that the letter "u" did not stand for "urban" in the context of the Bill but was simply the "u" of "sustainable".

Miss McIntosh: Indeed, the Minister responded in that debate by saying that he could not accept the definition that we want in the Bill, which applies in Scotland, because Scottish Water is not a private company. Would he be minded to change that view if Scottish Water became a private company?

Martin Horwood: I am not sure whether that intervention was addressed to me or the Minister, but anyway, the hon. Lady did not resolve the problem of what it is difficult to avoid calling a mistake in new clauses 5 and 6, namely the use of the word "urban", so I cannot support them.

New clauses 7 and 8 and amendments 13, 16, 17, 14, 18, 2 and 3 repeat proposals made in Committee, none of which were pressed to a Division. Because important discussions on insurance and planning permission are coming up, I am not going laboriously to repeat my support for, or opposition to, each proposal, but my support or opposition is broadly in line to that I offered in Committee. However, the hon. Member for Vale of York has raised a very important issue, and I make clear my support for the unambiguous ending of the automatic right to connect. I hope that that is now common to all parties.

Amendment 23, which stands in the names of my hon. Friend the Member for Brecon and Radnorshire (Mr. Williams) and I, addresses an important aspect of

[Martin Horwood]

planning in relation to sustainable drainage. It reflects a misunderstanding in the Bill between the respective roles of county and district councils in two-tier authority areas. County councils have very limited planning functions—they most commonly relate to things such as schools and waste management, for which they have responsibility. The recent exercise of those planning functions in Gloucestershire did not go entirely smoothly, and I am not filled with confidence when it comes to county councils getting involved in a matter such as sustainable drainage, in which they do not have a lot of planning experience.

The risk of the current arrangements in the Bill is that developers will need to get planning permission from two different local authorities—the county council, in its lead flood-risk management role, as reflected in schedule 3, and the district council, which would have to happen anyway. That could further exacerbate the confusion of responsibilities and delay the approval process. That serious issue needs to be addressed. It is better by far in two-tier areas to default to the normal planning authority, which is the district council. I humbly submit that proposal to the consideration of the Minister and the House.

Government amendments 53 and 54 look eminently sensible. They reflect concerns expressed by the hon. Member for Vale of York in Committee and it seems sensible to support them.

I am sympathetic to amendment 19, which was tabled by the hon. Lady. Certainly, what she just said in support of it was correct. I am slightly puzzled by the drafting, and we might need further definition of the word "new", which I could imagine being hotly contested in practice, but the proposal addresses an important issue.

Government amendments 55 and 56 are largely technical, and I have absolutely no objection to them.

Finally, amendment 15, which is also in the name of the hon. Lady, makes an eminently sensible link between the Bill and building regulations, which I am happy to support.

Mrs. Maria Miller: I congratulate my hon. Friend the Member for Vale of York (Miss McIntosh) on moving this important group of proposals. I was not fortunate enough to be selected to serve in Committee, but I have had the opportunity to review the *Hansard* reports of its proceedings in some detail. She is right that there are still far too many unanswered questions on a matter that is particularly important to my constituents in Basingstoke. I should like specifically to speak to new clauses 3, 7 and 8, and amendment 13. That is not to say that the other proposals are not important, but given the lateness of the hour and the other issues to be debated tonight, I will confine my comments to those.

The proposals are important to all those who suffer from, and face the problem of, surface water or sewage water flooding in or around their homes, particularly when we consider the unsustainable approach that the Government have taken to house building in my area and those of other hon. Members. The Government have been ready to build houses, but they have not been ready to ensure that the services available locally can meet their needs. I experience that problem regularly in my constituency, especially in connection to river pollution, water supply and sewerage.

On new clause 3—my hon. Friend's recommendation for pilot schemes—frankly, the Government have been dragging their feet for more than three years, which is adequate time for a much more robust analysis of the problem that will be transferred to water companies. I read the report of the debate in Committee closely, and the Government's responses were unsatisfactory. I am sure the Minister has reviewed those and has come to the House today with more detail, to satiate hon. Members' questions.

Obviously, I support the transfer of sewerage systems to the sewerage companies, but that needs to be done correctly. Like the hon. Member for Reading, West (Martin Salter), I have a number of estates in my constituency that have private networks. A number of householders are left in great difficulty when, for example, the roots of trees penetrate the sewerage pipes and create blockages, and flooding ensues. We know that there are 180,000 km of private sewers and natural drains in the country, so my constituents are not the only ones to suffer in that way.

My hon. Friend's proposal for a pilot scheme to assess the costs involved in transferring the network to the water companies, which she made in Committee and today on Report, is absolutely right on a number of levels. First, we need to know whether water or sewerage companies can cope with the problems that they are to be given. My hon. Friend was right that there is probably very little maintenance going on at the moment, because people know that the asset will be transferred. Certainly, poor maintenance is a considerable historical problem. Secondly, customers will want to know exactly how the transfer will hit their bills.

Thirdly and importantly, we need to know how much money the measure will free up from local authorities. My local authority does not see as its responsibility the alleviation of flooding problems when they occur. The payments to contractors, which my hon. Friend mentioned, are made either by private householders or by social housing landlords, who are often the people affected by those problems in my constituency. The question of how much money is being freed up in local authorities needs to be answered in far more detail, because we would not do anyone any favours if the transfer of the network is not done properly. As I said, the sewerage system is in poor condition. We need to ensure that any new approach is robust, and that we know what is to be transferred.

New clause 7, which would end the automatic right to connect, and new clause 8, which would make water companies statutory consultees, are absolutely right. We need to ensure that when new housing, especially major development, is being discussed and planned there is sufficient capacity in the system to deal with the resulting sewage, and local residents need to be assured that they will not be left disadvantaged financially or in any other way.

8 pm

I have talked to water companies about this issue, and the problem is that they look at the theoretical capacity of the water system when they assess whether it is possible to link more houses to it. The problem is that

many households are illicitly tapping into the sewerage system to drain their ground water, and that has created many of the problems of sewage flooding and overloading with which hon. Members are familiar. I urge my hon. Friend to ensure that water companies look not only at the theoretical capacity in their sewerage system, but at the actual capacity, and take into account the large amounts of ground water that find their way into our sewerage system, causing flooding problems for local residential areas and for sewage works trying to cope with excess capacity.

I commend amendment 13 to the House, because it also addresses the issue of overloading of the sewerage system. We need to ensure not only that the sewerage pipes can cope with the amount of material from local residents, but that the sewage works can cope. In my constituency, our sewage works regularly cannot cope with the amount of sewage that is being pumped into it. As a result, our local river is overloaded and exceeding EU pollution levels, but the local authority does not appear to be able to do much about it, because of the lack of involvement by sewerage companies in the decision-making process on house building. That is unacceptable, because it leads to unsustainable development. I urge my hon. Friend to press her amendments to a Division, because if they were included in the Bill, they would really help the Government to achieve a properly sustainable approach to sewerage and water for new developments for the first time.

Mr. Mark Todd (South Derbyshire) (Lab): Hon. Members will know that I have spoken on flooding issues at various times in my parliamentary career. I wish to focus on the particular issue of private drains and the implications for floods.

Hatton is a large village in my constituency, adjacent to the River Dove, and it flooded severely in 2000. That flood provided an object lesson in many aspects of dealing with floods. I will not go into all of them, but one critical issue related to the analysis of surface water drainage from individual properties. In many cases, householders had carried out their own works—probably innocently, as they could not have imagined that that would cause difficulties—to the front of their properties and on private driveways, which adjusted surface water drainage so that it ended up in the highway drainage system. In other instances, the topography of the village—it is very flat and close to the river—meant that the drainage system was challenged as soon as the water table rose.

When we examine a planning application that involves the use of surface water drainage being applied by a householder, we have to ensure that that is genuinely sustainable in reasonable circumstances. There are situations in which that simply will not work. We also have to be honest with residents about the consequences of the often small works that they carry out for themselves on the sustainability of the public drainage system. When the Minister responds on this group, I would be interested to hear his thoughts on how we might empower the water and drainage businesses so that they audit, effectively and regularly, the exposure of their system to supposedly private drainage systems.

Another case study has caused my staff and me a fair amount of work recently, although to my constituents' gain. In Church Gresley in my constituency, on a large housing estate mostly built in the 1990s, an observant constituent noted that he was paying for drainage and contacted his water company to say that he thought that he was draining his own property. So he was, and an audit was carried out. I arranged for the water company to test drainage systems throughout the estate, and that test discovered an erratic network—on this relatively new estate—of connections, with some houses being connected to the public system and some draining to their own systems. In both cases, there was a totally inadequate transfer of information between the developer of the estate and the water company, so that it was not aware of what it was supposed to be draining or whom they were supposed to be charging. The company refunded some residents, as allowed under the statutory powers for refunding drainage charges that should not have been charged, but it was then discovered that the entire system had not been adopted. It was therefore unsurprising that the water company did not have a proper map of the drainage system.

I should point out that the location of the estate means that the drainage system would be tested in severe rainfall. It is at the side of a substantial hill—that area of the town slopes heavily—and knowledge of how the drainage system works might be material at certain times. One has to ask how thorough is the integration between the planning process and the functions of the developer—in this case the water and drainage company, Severn Trent, was remiss in allowing the estate to be constructed without any proper plans.

My last local example—I have plenty of opportunities to consider these issues—is from the village of Hilton. The area in question is well established, so the remarks made about this Government giving planning consent that puts pressure on the drainage system do not apply. The houses were built many years ago and are on a private drainage system, although the residents are anxiously awaiting its transfer to Severn Trent. Fortunately the residents have not been pressed so far for repairs and other obligations, but they might be. That issue causes anxiety to individual residents, who worry about their liability for the repair of the drainage system, and also raises the issue of how genuinely separate such systems are from the public drainage network. Sometimes, consents have been granted that agree that the surface drainage works effectively in a location, when in fact it does not. In flood conditions, we soon find out where the faults are. So we need a robust testing process when such agreements are entered into at the planning stage, as well as a monitoring process that ensures that when residents carry out works—usually innocently, as I am not making any allegations—they do not prejudice the important drainage system on which a community relies.

Huw Irranca-Davies: I am tempted to say that new clause 3 and the Bill are for the people of Hatton and Hilton in the constituency of my hon. Friend the Member for South Derbyshire (Mr. Todd), and of the Haddocks estate in the constituency of my hon. Friend the Member for Reading, West (Martin Salter), and for every Member speaking today to try to remedy some of the problems that have rightly been identified. I am never one to rise to things—I am an eternal optimist and a fairly convivial chap—but the hon. Member for Vale of York (Miss McIntosh) has tempted me to respond to the accusation that the Government are laggards. The same was said during the debate on the Marine and Coastal Access Act 2009, but we are now introducing the marine

[Huw Irranca-Davies]

conservation zones. After two or three consultations—I cannot remember the exact number; I was involved in them all, some times as a Back Bencher when they first started, so I know its importance to constituents, as all hon. Members have said—it has fallen to me as the Minister to deal with the tricky and complex issue of the transfer of private sewers.

I pay tribute to the work of my predecessors in getting to this stage—I shall come to some of the consultation in a moment—and bringing the provisions forward in good shape. That means that any hitches will be less likely. The scale of the transfer is unprecedented, so we need to get it right; I shall come to that point in a moment, too. I will take the criticism that we are slightly late, but I will also take the plaudits for the Government for getting the job done properly.

I shall get straight to the meat of the amendments and new clauses, although I do not know whether I can persuade the hon. Member for Vale of York on this matter. I was trying to remember who wrote the song, "Oh Lord, Please Don't Let Me Be Misunderstood", because I think that I may be misunderstood here. Nevertheless, I will do my best to explain the rationale behind my response to the new clauses and amendments.

New clause 3 would require the Environment Agency to establish a pilot scheme, as has been mentioned, to ascertain the extent and condition of private sewers and drains, and to estimate the likely costs of the transfer to water and sewerage companies. Hon. Members have already expressed some concerns about that; I ask the House to allow me to express mine. The proposal would impose an unnecessary and a disproportionately costly new burden on the EA, as we discussed in Committee. The EA has no direct responsibility for private sewers, so the impact on it would bear no comparison to any real benefit.

To reiterate what I said in Committee, the latest estimate from UK water industry research into the costs of a full audit to ascertain the extent and condition of private sewers is in excess of £1 billion. Even to undertake pilot schemes would be proportionately extremely expensive—and all before a single penny is spent on the cost of repairs. It would also duplicate work that is already more appropriately undertaken by water and sewerage companies and their independent economic regulator, Ofwat. The estimates were set out in the impact assessment accompanying the Government's announcement in December 2008 of their decision to proceed with the transfer.

Moreover, the new clause is entirely unnecessary. One water and sewerage company has done some preliminary work in its area and found that, although there were more private sewers than it expected, they were also in better condition than it expected. Another experienced difficulty in getting property owners' co-operation. Pilots are not a new idea. The Government consulted on them in July 2007, and 70 per cent. of respondents rejected the case for pilots. The stakeholder steering group assisting DEFRA's review of private sewers agreed with that view. I do not accept, therefore, that pilots—well intentioned as the idea is—are likely to yield sufficiently useful information to warrant the cost and, as mentioned, the delay in bringing the benefits of transfer to householders. The cost of an audit would be better spent tackling the real problems with private sewers.

Amendment 17 refers to the transfer of sewage treatment works alongside other assets and access rights.

Miss McIntosh: The Minister has focused on the pilot schemes, but will he address my remarks about the guidance and the publication of the guidance and the regulations? It is the mood of the House that we should proceed to transfer, but Opposition Members are getting a clear message that there has not been proper consultation on the guidance. The private contractors currently doing the work are extremely concerned about whether there will be such work in future. The industry must know what regulations it will be asked to comply with.

8.15 pm

Huw Irranca-Davies: I agree with the intention behind the hon. Lady's comments, but not with her amendments. Let me deal directly with the issue of consultation, which we dealt with in Committee as well, and the allegation that water companies and contractors have not been consulted. Actually, they are key members of the private sewers review stakeholders steering group, and we have been working closely with them. There were consultations in 2004 and 2007—I will come to the individual contractors soon—to which water companies responded. They also worked with DEFRA in the follow-up to the consultations.

I would like to make an interesting point about the concerns raised. I have seen letters as well. Letters have been sent to the Department—from smaller drainage contractors, family firms and so on—saying what the proposals will mean for them. I cannot say precisely what they will mean, but as I have said previously, I think that there will be opportunities, post-transfer, because the work will need to be done. The number of small contractors still operating in Scotland, which is slightly ahead of us on this, makes interesting reading, because it is comparable to the numbers that were operating before. The Scottish figures are also comparable to the numbers operating in similar city areas in England—for example, we can compare Edinburgh to a similar-sized city in England. Actually, there has not been a shake-out; they have responded. So I anticipate that there will still be a market for small operators.

The hon. Lady rightly raised the issue of consultation on private sewers. In December 2008, we announced that the transfer would take place from 2011, and we are working to that timetable. We have to consult on the affirmative resolution regulations that she mentioned to make transfer happen, and we will do that in the next few months. I do not have a specific date, I am afraid, and we do have an election right in the middle of it, unfortunately—I say unfortunately, but I am pro-democracy of course. However, it does cause some problems with setting a specific date. The position for Wales is set out clearly in the strategic policy statement. We intend, therefore, to bring this forward in the next few months—by which I mean this side of the summer. I cannot promise that it will be this side of an election, however, because that is out of my hands.

The concern behind amendment 18 is that sewerage undertakers should not be liable for failure to keep records of the assets that they inherit as a result of the transfer. The EA is concerned that such a blanket exemption, as set out in the amendment, could make it difficult to gather a full understanding of the impact of private sewers and lateral drains on sewerage undertakers'

systems. It is the Government's intention to look carefully at that as part of the transfer. However, in any event, should any complaint about a breach of duty be made, Ministers could reasonably take into account whether a company was acting appropriately in deciding whether enforcement action might be appropriate.

Accepting amendment 17 might limit the extent, scope and speed of transfer and the Government's regulation-making power on transfer schemes, which is subject to the affirmative resolution procedure. Following any transfer, the undertakers will have statutory access rights provided to them when laying or accessing their own infrastructure. Those rights were granted expressly by Parliament and have been considered by successive Administrations to strike the right balance between the interests of landowners and those of sewerage companies. Where they wish to obtain additional rights, they can seek to agree them with the landowners.

Miss McIntosh: I do not know whether others in the House are aware of this, but the Minister has had a series of discussions between the end of the Committee stage and the Bill's remaining stages today. It would be extremely helpful, first, if he would take this opportunity to report to the House on the reassurance that he has given the water companies, so that we can have on the record the exact statement that he wished to make to them—the one that he assured them that he wished to make to them—and, secondly, if he could confirm that that is said on the basis of Pepper *v.* Hart, so that if we do not press our amendments, we shall have an assurance that his statement will be justiciable and can be relied on as an indication of how the Bill is to be interpreted subsequently.

Huw Irranca-Davies: Indeed. I shall be happy to respond to that point in full. However, let me make a little progress first, and then I shall turn to it directly.

Amendment 13 specifies a number of issues that must be included in agreements for the adoption of new foul sewers and lateral drains. Amendment 14 provides for associated regulations. Although stakeholders advised us to retain adoption agreements under section 104 of the Water Industry Act 1991 as the vehicle for the adoption of new foul sewers and lateral drains by undertakers under the new mandatory regime, we do not intend to specify in primary legislation the range of details that must be covered in the agreement. That preserves the flexibility needed to deal with site-specific issues, and avoids placing undue burdens on small developers that do not currently use the adoption process. Where there is a dispute about the content of an agreement, the matter can be taken to Ofwat for determination. We think that that is the right approach to promote innovation and site flexibility.

Amendments 15 and 16 would require new building regulations to be made as necessary for the purposes of, and taking account of, new section 106B of the 1991 Act, which provides for new mandatory construction standards for new foul sewers and lateral drains connecting to the public sewerage system, and for their automatic adoption by sewerage undertakers. I would like to reassure hon. Members that the proposals in clause 42 are not intended to require any changes to building regulations. Building regulations and building control will continue to apply to drains on a development connecting to the adoptable lateral drains and sewers, but not to the laterals and sewers themselves, which will be subject to agreement with, and control and inspection by, the water and sewerage companies. That activity will take place alongside the building control inspection process, but not overlap it. An evaluation of the relevant building regulations will start this year and will consider what new guidance might be needed on the changes that clause 42 introduces, to clarify how the building control system will work alongside them.

The hon. Members for Vale of York and for Upminster (Angela Watkinson) also tabled new clause 7, which seeks to restrict the connection of waste water drainage from new developments to the public sewerage system by making it subject to planning approval. New clause 7 would require water and sewerage companies to be consulted before approval on the capacity of their systems to manage the extra demand. It would also seek to ensure that the responsibility for meeting the cost of creating any additional necessary infrastructure is apportioned. Sir Michael Pitt's review of the 2007 floods recommended that

> "the automatic right to connect surface water drainage of new developments to the sewerage system should be removed".

The Bill does just that. Drainage systems must be approved by the SUDS approving body—the SAB—as being in line with the national standards for drainage systems before any residual connection to the public sewer is allowed, and then only as a last resort—I keep repeating this—after SUDS have been employed to reduce the flow to the sewer. Water and sewerage companies will be statutory consultees in the SUDS approval process.

I now turn to—*[Interruption.]* Sorry, I will come back to that.

The hon. Members for Vale of York and for Upminster have also tabled several amendments on the definition of SUDS and drainage systems. New clause 5 seeks to insert a further definition of sustainable urban drainage systems into the Bill. We debated that issue fully in Committee, and I should like to restate our view that we see no desirability in a definition that constrains the idea of sustainable drainage to urban areas. As 2007 demonstrated, surface water flooding is both an urban and a rural issue, and SUDS can be used in both rural and urban areas, and everything in between. Therefore, the proposed amendment is more limiting.

Amendments 2 and 3 seek to introduce the idea of water efficiency into the definition or application of SUDS. We understand the intention behind amendment 2. However, the current definition sets out what a drainage system is, whereas the amendment attempts to insert a depiction of the ideal characteristics of a drainage system. That has a consequential impact on the remainder of schedule 3, which refers to the approval of drainage systems. By inserting a reference to water efficiency, amendment 3 highlights another potential side benefit of SUDS for water use. We should all agree that we need to do more to reduce water use generally, especially in areas of water shortage—and of course, clause 36 also addresses that issue. However, I suspect that in amendments 2 and 3, hon. Members are referring to the use of rainwater harvesting as a sustainable drainage technique, which is something that I am pleased to have in my house; I have to say that it works very well and has been well worth it.

[Huw Irranca-Davies]

Rainwater harvesting is indeed an acceptable SUDS technique. However, before making it a requirement of SUDS, we should understand the costs, benefits, practicalities and carbon impacts. The issue will therefore be addressed in the development of the national standards against which any proposed drainage system will be judged. I am not ruling out rainwater harvesting systems as a potentially beneficial SUDS technique—indeed, I love them—and especially not in some areas, but it is not necessary to drive that through primary legislation.

The hon. Members for Vale of York and for Upminster have also tabled new clause 6, which would make provision to state which body has to be responsible for the ownership and maintenance of SUDS. As we debated in Committee at some length, the Bill is clear on that point. Paragraph 6 of schedule 3 already specifically places the responsibilities and duties of a SAB—a SUDS approving body—on the unitary or county authorities. Paragraph 6 also allows the Minister to appoint by order an alternative body to approve drainage systems in a specified area. The SAB would have responsibility for the approval of drainage systems in new developments and redevelopments to the national standards for sustainable drainage. The SAB is also responsible for adopting and maintaining SUDS that serve more than one property, where they have been approved.

Miss McIntosh: I am sure that the Minister will find his place and respond to my earlier queries in due course, but on that point, will the water and sewerage companies be consulted on the building standards? They are keen that they should be, so it is important that we should have that assurance.

Huw Irranca-Davies: Yes, absolutely. The hon. Lady makes a good point. I can confirm that the water and sewerage companies will indeed be consulted. Their input will be critical. I will return to the points that she made in her opening remarks that I have not already addressed, because she made quite a few.

To return to new clause 6, adoption does not need to confer ownership, as the new clause would seem to imply, but simply a responsibility for maintenance. The maintenance duty for adopted SUDS will ensure that they continue to provide effective drainage for the properties that they serve.

The hon. Members for Vale of York and for Upminster have also tabled amendment 19, which would require the Minister to ensure that provisions are in place to guarantee that the cost of a new development's connection to a SUDS and a sewerage system are borne equally by the new households that benefit from the new connection. I presume it is intended that the Minister would make such provisions by regulation.

If the intention of the amendment is that the Government should find a way of funding the long-term maintenance costs of SUDS, I can reassure the House, and I can reassure the hon. Lady, as I did in Committee, that we are actively considering the issue. As the hon. Members who moved the amendment know, in Committee I also undertook to formalise arrangements with the Local Government Association to keep under review the costs falling on local authorities. That includes SUDS and the wider range of burdens. I reported earlier in the debate that my officials and officers of the Local Government Association have been meeting to take forward this commitment, and that I have written to Councillor Gary Porter, the environment chair of the LGA, proposing formal terms of reference.

8.30 pm

The hon. Members for Vale of York and for Upminster also tabled new clause 8, which seeks to ensure that the relevant planning authority for all major new developments consults water companies and the Environment Agency. It further requires that these consultations are in accordance with planning policy statement 25, that they establish the impact of the proposed new development on the local drainage system, and that the consultations inform the planning process. We debated that thoroughly in Committee. As the House will be aware, the Environment Agency is already a statutory consultee in England for planning applications in flood-risk areas, and for all applications for major developments. These arrangements are set out in the table in article 10 of the Town and Country Planning (General Development Procedure) Order 1995, as amended.

Miss McIntosh: I am delighted that the Minister is confirming what we already know about the Environment Agency being a statutory consultee on that basis. Why would he not agree to water companies being statutory consultees on exactly the same basis, to avoid the issues that were raised by my hon. Friend the Member for Basingstoke (Mrs. Miller) and the hon. Member for South Derbyshire (Mr. Todd)?

Huw Irranca-Davies: We are trying to achieve the same end, and we debated the matter in depth in Committee. The water companies are part and parcel of the process and need to be consulted in connection with the flood risk management function, but, as was explained in detail in Committee, we do not consider it appropriate to make them the subject of the same statutory duty of consultation.

The hon. Members for Cheltenham (Martin Horwood) and for Brecon and Radnorshire (Mr. Williams) tabled amendment 23, which seeks to amend paragraph 6 (1)(b) of schedule 3, so that if there is no unitary authority for an area, the role of the SUDS approving body would be given not to the relevant county council but to the local planning authority. Again, we debated that in Committee.

I will not restate the whole debate, but we consider that SUDS approval and adoption responsibilities fit together, leading to robust well-designed SUDS that can be efficiently and effectively maintained. Placing these functions at the county council level fits well alongside those councils' existing responsibilities for highways maintenance. We expect many SUDS to be located in or alongside roads, especially in dense urban areas.

More importantly, county councils will have wider responsibilities as lead local flood authorities under clause 6(7). County councils also have responsibility for surface water management planning, and on a simple geographical basis, have a much wider overview of surface water and flooding issues. Placing the SUDS approving body—the SAB—at the county, rather than the district, level will mean the SAB has the more strategic overview and expertise in determining drainage applications.

Of course, not all drainage applications needing approval by the SUDS approving body will also require planning permission. However, where planning permission is required, we have made the SAB a statutory consultee to the planning process and we have clearly mapped out how the process would work. Finally, as I said in Committee and reiterate now, there is nothing to prevent unitary or county local authorities, in their role as SUDS approving bodies, from transferring, by agreement, their approval functions to a local planning authority. However, the SUDS approving body would retain responsibility and liability for SUDS, so accountability stays there.

Finally, I shall deal with the Government amendments in this group and make some additional points. In Committee I agreed to consider an amendment tabled by the hon. Members for Vale of York and for Upminster which would make internal drainage boards statutory consultees to SUDS approving bodies. In response, amendment 53 provides for that to be done.

On amendment 54, in Committee I agreed to consider an amendment tabled by my hon. Friend the Member for City of Durham (Dr. Blackman-Woods) on regulations covering the timing and procedure for applications to the SUDS approving body. As I said in Committee, it seems eminently sensible to enable the Minister to make regulations about the timing and procedure for determining applications for approval, and also that the regulations should be able to specify what should happen if the timetable is not complied with. Such a power will enable the Government to ensure that the SUDS approval process is fully in line with the timetable for determining planning applications. I therefore commend the amendment to the House.

Finally, amendments 55 and 56 are minor technical amendments. Amendment 55 makes the drafting of the Bill internally consistent. Amendment 56 closes a small loophole in the provisions on adopting sustainable drainage systems. As the Bill stands, those parts of a drainage system located partly on and partly off a road are maintained by the SUDS approving body and the highways authority respectively. Both must maintain the SUDS to national standards and approved proposals.

However, we need to be clear about arrangements to maintain, to national standards, SUDS located entirely in a publicly maintained road. This situation will be extremely rare but must be captured for completeness. Without the amendment, the road that is also an entire SUDS would be maintained to function as a road, but not as a SUDS, potentially leaving properties served by those SUDS with inadequate drainage. I hope those comments are helpful.

I now turn to the work that has been done with stakeholders on the mandatory build standards. The water industry has provided voluntary criteria to developers for the adoption of sewers since December 1981. However, there are often no discernible benefits for the water company or developer in pursing the adoption process, and as we have heard, that results in homeowners ending up with the liability for those assets. DEFRA has been working across a range of stakeholders including, but not exclusively, the Home Builders Federation, the National House-Building Council, Ofwat, the Consumer Council for Water, the Local Government Association, Communities and Local Government and Water UK among others to provide a basis for consultation on a mandatory build standard for gravity, foul sewers and lateral drains. We will consult similarly on SUDS, and we are already engaging with stakeholders on national standards for SUDS.

On the discussions with Water UK, I am not sure that the hon. Member for Vale of York raised any particular point, but I wrote to all members of the Public Bill Committee recording the results of the meeting. Let me quote from letter that went out on 28 January:

"We had a good discussion about the sustainable drainage provisions. I clarified the arrangements for SUDS maintenance, including the statutory duty on the SUDS Approving Body to maintain SUDS to national standards…We discussed the sewerage undertakers, listed the statutory consultees to the SUDS Approving body".

Martin Horwood *rose—*

Huw Irranca-Davies: I will finish there and give way to the hon. Gentleman.

Martin Horwood: We have little time remaining, so I want to ask the Minister a question. He mentions many consultations, and there is much public concern about these issues. Does he agree that two important issues have not been discussed tonight: insurance and planning permission for houses and new developments in flood-risk areas, which are both matters of huge public concern that we should be able to debate?

Huw Irranca-Davies: Indeed. I have dealt with many of the issues and I am coming to the end of my comments. I am checking whether there are any substantive issues that I have not yet dealt with. I have dealt with internal drainage boards and with most other significant points. I would be happy to write to hon. Members who have taken part in the debate. With those words, however, I recommend the Government amendments and invite hon. Members to withdraw their amendments.

Miss McIntosh: I am extremely disappointed by the Minister's latter remarks because it was our understanding, and that of Water UK and the other companies he met, that he was going to make a statement on the record this evening that could be potentially justiciable. He has not gone as far as they would have liked, as they wanted to see our amendments written into the Bill. The Minister may have written to members of the Committee, but that does not include all the participants in the debate today, including my hon. Friend the Member for Basingstoke (Mrs. Miller) and the hon. Member for South Derbyshire (Mr. Todd). What has happened, as I understand it, does not meet the terms of the Pepper v. Hart case, which we relied on when we were in government in the past.

Huw Irranca-Davies: I wonder whether the points that the hon. Lady raises, on which Water UK seeks clarification, relate to this particular group of amendments or to a later group.

Miss McIntosh: My understanding is both. In this group, the issue of connections is relevant. If this is a misunderstanding, the record will show that the Minister had the opportunity to comment on automatic connections. There are two issues here, although the Minister satisfied the industry on one of them when he said that water and sewerage companies will have the opportunity to be consulted on national building standards. That is clearly on the record. However, the fact that the approving body should be compelled to include the requirements

[Miss McIntosh]

of the sewerage undertaking, identified through a statutory consultee response provided by the sewerage undertakers as part of the approvals process in the final approval of any sustainable development connecting to the sewer, will not now be written into the Bill.

Huw Irranca-Davies: I think that this may be a genuine misunderstanding. If the hon. Lady seeks confirmation that water companies are statutory consultees of the SUDS approving body, I can give that confirmation. I can also confirm that they must have regard to the water companies' advice. The SUDS approving body can set conditions on approval based on that advice, but water companies have a general duty to provide, maintain and extend the public sewerage system in their areas.

Miss McIntosh: That is very helpful, but I still do not quite understand the logic of what the Minister said in responding to our new clauses and amendments. It seems that the Government are accepting internal drainage boards and the Environment Agency as statutory consultees but refusing to accept water and sewerage companies, although it is those companies that will be affected in the event of an overflow and a lack of capacity.

I think that there is common ground between us and the Liberal Democrats on flexibility. I readily agree that county councils should be responsible for sustainable drainage systems in relation to highways. However, we seem to have reached an impasse owing to the Minister's refusal to accept that district councils are best placed to be recognised as the approving body, particularly in relation to major housing developments and sustainable drainage systems connected with them. I fear that we will experience difficulties in implementing the Bill unless the Minister changes his view.

Huw Irranca-Davies: That is, I think, a genuine point of difference. I have explained, although possibly not to the hon. Lady's satisfaction, why we consider it appropriate to ensure that the buck stops at unitary authority level, while allowing those authorities, should they wish and with agreement, to transfer some of their responsibility to lower-tier authorities. That flexibility is there, but I am adamant that the buck should stop at one particular level, in line with the spirit of Pitt.

Miss McIntosh: I think that we shall have to agree to disagree, but like other hon. Members, I want the House to be able to deal with the remaining groups of new clauses and amendments, so I beg to ask leave to withdraw the clause.

Clause, by leave, withdrawn.

New Clause 10

RESILIENCE OF CRITICAL INFRASTRUCTURE

'(1) The Secretary of State may by order require utility companies to report on their critical infrastructure and their ability to withstand future floods.

(2) The Secretary of State must lay before Parliament a copy of each report received under subsection (1).'.—*(Miss McIntosh.)*

Brought up, and read the First time.

Miss McIntosh: I beg to move, That the clause be read a Second time.

Mr. Deputy Speaker (Sir Michael Lord): With this it will be convenient to discuss the following: new clause 11—*Resilience of individual properties, households and businesses*—

'(1) The Environment Agency must submit an annual report to the Secretary of State.

(2) In particular, the report must include information on—

(a) the take up of flood warnings by property owners and tenants,

(b) the take up of additional anti-flood measures on properties previously flooded before reoccupation,

(c) any developments with insurance companies on anti-flood measures that could be adopted that would reduce the insurance premiums for properties at risk of flooding.'.

New clause 12—*Annual report from the British Standards Institute*—

'(1) The Secretary of State may by order require the British Standards Institute to submit an annual report to the Secretary of State.

(2) In particular, the report must include information on—

(a) the burden of proof required to obtain the kitemark for flood resistant products,

(b) the number of kitemarks issued in that year,

(c) the number of products which fail to meet the test of resistance which led to further flooding of any particular property.

(3) The Secretary of State must lay before Parliament a copy of the report received under subsection (1).

(4) A report under this section must be laid before and approved by a resolution of each House of Parliament.'.

New clause 13—*Annual report from the Climate Change Adaptation Sub Committee*—

'(1) The Secretary of State may by order require the Climate Change Adaptation Sub Committee to submit an annual report to the Secretary of State.

(2) In particular, the report must include information on the progress towards implementing each recommendation for adapting to climate change.'.

New clause 14—*Insurance*—

'The Secretary of State must within one year of the passing of this Act bring forward regulations to ensure the insurance industry has regard to flood prevention measures in calculating premiums and charges for flood-affected customers based on the principles of equity and shared risk.'.

New clause 15—*Planning permission refusal on grounds of flood risk*—

'(1) The Secretary of State must within one year of the passing of this Act bring forward regulations to ensure that local authorities may cite "flood risk" as grounds for refusal of a planning application in high flood risk areas.

(2) These regulations must not affect the right of appeal against such a refusal.'.

New clause 19—*Low cost affordable insurance*—

'(1) The Secretary of State must within one year of the passing of this Act bring forward regulations to ensure the insurance industry in consultation with the water industry provides a comprehensive, low-cost and affordable insurance scheme against the risk of flood.

(2) The scheme in subsection (1) should be based on the principle of shared communal risk and made available to all who are unable to receive standard insurance cover.

(3) In this section, "shared communal risk" means the insurance cost against flooding is shared equally amongst policyholders within the region.'.

New clause 21—*Monthly recovery reports*—

'(1) Following a major flooding event, the Secretary of State must publish monthly reports summarising the progress of the recovery phase until the recovery process is considered complete.

(2) The reports must specify—

(a) the number of households displaced from all or part of their homes, and

(b) the estimated date for the completion of the recovery process.

(3) The Minister must consult other relevant bodies before making his reports.'.

Government amendments 30 and 35 to 41.

Amendment 1, in schedule 1, page 34, line 18, after 'authority', insert

'except for the maintenance or management of an asset in pursuit of its primary purpose where this does not compromise long term flood risk management.'.

Government amendments 50 to 52.

Miss McIntosh: Let me deal first with the Government amendments. I find it difficult to understand the logic of amendments 50, 51 and 52. I do not know why, at such a late stage, amendments 50 and 51—referring respectively to conditions 1 and 2—require loss or disturbance to be the result of a "reasonable" exercise of powers, or why amendment 52 seeks to replace the reference to "a refusal of consent" with

"a decision in connection with"

consent. However, I am sure that the Minister will be able to explain.

8.45 pm

New clause 10 relates to the resilience of critical infrastructure. New clause 11 relates to the resilience of individual properties, households and businesses. New clause 12 sets out the basis for an annual report from the British Standards Institute, and new clause 13 sets out that there should be an annual report from the climate change adaptation sub-committee. On new clause 13, the first Pitt recommendation was;

"Given the predicted increase in the range of future extremes of weather, the Government should give priority to both adaptation and mitigation in its programmes to help society cope with climate change",

yet we do not see anywhere in the Bill how the Government will monitor adaptation. What prevention measures is the Minister asking interested parties such as the Environment Agency to take to ensure that they meet the adaptation requirement?

I hope that the Minister will look favourably on new clause 13, which relates to new clauses 10 and 12. It is in everyone's interests that property should become more resilient and more resistant to future floods. Surely we should have the opportunity to consider an annual report from the climate change adaptation sub-committee to the Secretary of State, which would include information on the progress made towards implementing each recommendation for adapting to climate change. Will the Minister say whether the Government are minded to do that, what the mechanism will be and why there is no mention of adaptation in the Bill in that regard?

New clause 10 relates to the Secretary of State requiring utility companies to report on the critical infrastructure and their ability to withstand future floods. Again, in the light of the Government's most recent report and some answers in response to written questions, I think that it is fair to say that we have not had the level of reporting on critical infrastructure and the audit that Pitt required. I think that there has been some delay in the Cabinet Office; it may not be DEFRA. However, it would be helpful if the Minister enlightened us as to where we are in that regard.

New clause 11 asks for the resilience of properties, households and businesses to be reviewed annually. The report would include information on any developments with insurance companies on anti-flood measures that would be recognised by reduced premiums and excesses. Is the Minister minded to report to us on whether there has been any movement in that regard?

In new clause 12, we are asking the British Standards Institute to set out an annual report. My understanding is, following discussions with it, that we are not asking it to do anything that it would not be capable of doing. Therefore, I hope that the Minister will agree to support the provision. We would wish to go further. If a kitemark were issued and a product proved not to meet the test of resistance, we would want the Government to allow an action to be taken against that product.

The right hon. Member for Makerfield (Mr. McCartney) has tabled a new clause on low-cost affordable insurance. It is good that we have that discussion. He will obviously not be aware that we have had some debates on those insurance issues, but the provision goes to the heart of the concern that constituents throughout the country may have in that regard.

As it would be courteous of me to allow others who wish to support their amendments to comment, I will leave my remarks there at this stage.

Martin Horwood: Given the limited time available, I shall speak to new clause 14, which I want to press to a Division. Insurance is a huge issue; an amendment in the name of the right hon. Member for Makerfield (Mr. McCartney) also addresses it. It is of huge public concern, and we did not have time to debate new clauses on it in Committee. It is therefore welcome that we finally have the chance to debate this critical issue.

Let me begin by giving an example of the problem. Mr. and Mrs. Staight from the Park area of my constituency have recently had a pretty bad experience with their insurance company. It is unrelated to flooding, because their property has never flooded. In the floods of 2007, which were likely to take place once in every 100-plus years, they were untouched by flooding. However, as a result of that recent bad experience, they wanted to change their insurance company and discovered that flooding was excluded as a risk simply because of their postcode, despite the fact that their property had never flooded. With a combination of threats, from climate change to the Government's regional spatial strategy putting more and more new housing in countryside areas around the constituency, as well as the risks of increasing and unpredictable bouts of extreme weather of various kinds, it seems wise to extend cover to families such as the Staights. Yet the approach of the insurance industry appears to be to tolerate there being exclusions the moment someone moves insurance

[Martin Horwood]

companies. However, that is, of course, outside the remit of the voluntary agreement that the Government have already reached with the industry.

If such exclusions become more common, that will have serious consequences. A quarter of the homes flooded in the great floods of 2007 were not covered by insurance. The average cost of a household flooded was between £23,000 and £30,000. This is clearly very serious for any family, but it is catastrophic for poorer families who cannot remotely afford to pay such sums of money. The average cost per flooded business was even higher—between £75,000 and £112,000. Most businesses are covered for flood risk—about 95 per cent. of the businesses flooded were covered by insurance—but, again, if transfers of insurance lead to flooding exclusions spreading throughout the market, more and more businesses will be excluded and will therefore be liable for these very damaging costs.

Lembit Öpik: While very much agreeing with my hon. Friend's observations, does he agree that the objective of the new clause is not to bankrupt insurance companies, but to ensure that they charge reasonable rates so that the public and small businesses are not bankrupted as a result of circumstances entirely out of their control?

Martin Horwood: Typically, my hon. Friend is absolutely right. It is in the interests of insurance companies themselves to get many of the issues relating to flooding and insurance sorted out. They do not want to insure properties that are at the most extreme risk—those that repeatedly flood and where no provision has been made to defend them against flooding—but we as a society have a common interest in insuring those properties where people have made best efforts to defend them or where flood risk management of the kind we have been discussing throughout the passage of the Bill has been put in place. We also have an interest in not seeing spiralling premiums and very high excess charges, thereby effectively excluding people from flood insurance even when that is formally provided.

Some of these cases of spiralling premiums and very high excess charges even arise when households have spent tens of thousands of pounds on flood defences for their own households. In the case of Mr. Saunders-Pope of Keynshambury road in Cheltenham, the EA has spent tens of thousands of pounds putting flood defences right at the bottom of his garden and those of his neighbours, yet still the insurance company did not see the need—until the local MP intervened—to reflect that in their premiums and excess charges. The insurance industry and the insurance market for flooding are in danger of unravelling gradually over time, and we need to address that. I hope that Conservative Members will support either this new clause or the one tabled by the right hon. Member for Makerfield, because this is a crucial issue.

New clause 15 also addresses a very important issue—planning permission in respect of floodplains and high flood-risk areas—that I would have liked to discuss had we had time to debate things adequately, but I recognise the late hour and the fact that we voted on a similar new clause in Committee. There are clear examples—one occurred only a few days ago in Tuffley, in Gloucester city—of planning permission being given in an area that regularly floods. In response to the planning inspector's granting of the planning permission appeal, Jackie Hall, the Conservative councillor for Quedgeley and Gloucestershire county council cabinet member, said:

"This is very disappointing and does not address issues raised by residents. We simply cannot go on determining planning cases without updated legislation, which needs to reflect the events of the last few years."

The planning inspector involved commented that the flooding of 2007 was not likely to happen again. That is wildly optimistic, especially given that there were two such flood events in the space of a month in 2007 and another quite serious one subsequently. As I have said, climate change, urbanisation and more extreme weather patterns mean that it is wildly over-optimistic to suggest that these kinds of flood events will not happen again. We need to make it crystal clear that local authorities have the right to refuse planning permission on floodplains or on otherwise defined high flood-risk areas. I could have cited many other examples had I had time to do so, and there are other important issues that we sadly do not have time to discuss, but I wish to give the Minister time to respond on the issue of insurance at least.

Mr. Ian McCartney (Makerfield) (Lab): I thank the Front Benchers for giving me the opportunity to speak. I should tell the Minister that new clause 19 is a probing provision, but in probing I wish to ensure that we make progress on the discussions that I have been trying to have with his Department since October 2008 on this matter.

I have been engaged on issues associated with insurance and flooding since the 1980s, both as a local authority member and subsequently as a Member of Parliament. Over the past decade or more, we have seen catastrophes on a large scale. Although the flooding in my constituency has not been on such a large scale, the result for all the individuals concerned has been a 100 per cent. loss. Nine out of 10 small businesses affected by sewer water flooding never reopen their doors and families are left desperate. Once flooding has occurred, the insurance industry is able, even with the agreement that it has with the Government now, to increase the cost of insurance cover or to refuse to provide any whatsoever. New clause 19 would ensure that the water industry and the insurance industry are brought together within a year of the passing of this Bill—

Huw Irranca-Davies: I think I can do better than that. I applaud my right hon. Friend and others for pushing this issue heavily. I made the commitment in Committee that we would examine it, because we thought that there was a need to review how we provide insurance cover and so on. We shall be writing later this week to invite the following groups to a discussion on flood insurance: the National Flood Forum; the Association of British Insurers; the British Insurance Brokers Association; the Local Government Association; interested MPs; insurance and social inclusion experts from the Treasury, the Department for Communities and Local Government and the Department for Work and Pensions; and any other interested parties. We will, thus, be able to see how we can take this issue forward.

Mr. McCartney: So long as I am one of those interested MPs.

Huw Irranca-Davies: Yes.

Mr. McCartney: I will ensure that my remarks are kept for that first meeting then and give other hon. Members the chance to speak now. This discussion has taken less than five minutes in a debate of five and a half hours, but if at the end of it we can help tens of thousands of our fellow citizens to get out of the dire circumstances that they are in, it will have been worth waiting five and a half hours.

Huw Irranca-Davies: In the time remaining—I thank right hon. and hon. Members for keeping their contributions short—I shall try to address as many points as I can. On new clause 10, as I explained in Committee we have set up a new Cabinet Office team to ensure that critical infrastructure—for example, power stations—is resilient to all natural hazards. The Welsh Assembly Government are involved in this work.

On new clause 11 and the requirement for the Environment Agency to report annually on flood warning, individual property measures and insurance, I explained in Committee that there is already provision in clause 18 for the EA to report more widely and for Ministers to set the time scale for and context of the report.

We also discussed the subject of new clause 12 in Committee, and I pointed out that British Standards Institution kitemark products must undergo rigorous testing to demonstrate that they can provide effective property level flood protection, but there is the issue of having the right product in the right place for the right flood prevention. However—

9 pm

Debate interrupted (Programme Order, 15 December 2009).

The Deputy Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E).

That the clause be read a Second time.

Question negatived.

The Deputy Speaker then put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83E).

New Clause 14

INSURANCE

'The Secretary of State must within one year of the passing of this Act bring forward regulations to ensure the insurance industry has regard to flood prevention measures in calculating premiums and charges for flood-affected customers based on the principles of equity and shared risk.'.—*(Martin Horwood.)*

Brought up.

Question put, That the clause be added to the Bill.

The House divided: Ayes 36, Noes 246.

Division No. 68] **[9 pm**

AYES

Alexander, Danny
Baker, Norman
Barrett, John
Brooke, Annette
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Farron, Tim
Foster, Mr. Don
Gidley, Sandra
Hancock, Mr. Mike
Harvey, Nick
Hemming, John
Hermon, Lady
Holmes, Paul
Horwood, Martin
Hughes, Simon
Hunter, Mark
Keetch, Mr. Paul
Kramer, Susan
Laws, Mr. David
McCrea, Dr. William
Moore, Mr. Michael
Mulholland, Greg
Öpik, Lembit
Rennie, Willie
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Spink, Bob
Taylor, Dr. Richard
Teather, Sarah
Webb, Steve
Williams, Mark
Williams, Mr. Roger
Willott, Jenny
Younger-Ross, Richard

Tellers for the Ayes:
Dan Rogerson and
Mr. Alan Reid

NOES

Abbott, Ms Diane
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Begg, Miss Anne
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chaytor, Mr. David
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
David, Mr. Wayne
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Drew, Mr. David
Efford, Clive
Engel, Natascha
Ennis, Jeff
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Goodman, Helen
Griffith, Nia
Griffiths, Nigel
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hepburn, Mr. Stephen
Hesford, Stephen
Hewitt, rh Ms Patricia
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.

Jones, Mr. Kevan
Jones, Mr. Martyn
Joyce, Mr. Eric
Keeley, Barbara
Keen, Alan
Keen, Ann
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Lucas, Ian
Mackinlay, Andrew
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCafferty, Chris
McCarthy, Kerry
McCarthy-Fry, Sarah
McCartney, rh Mr. Ian
McDonagh, Siobhain
McDonnell, John
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKenna, Rosemary
Meacher, rh Mr. Michael
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oliver, Mr. Bill
Osborne, Sandra
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pope, Mr. Greg
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ryan, rh Joan
Salter, Martin
Seabeck, Alison
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Strang, rh Dr. Gavin
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thornberry, Emily
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Wilson, Phil
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Helen Jones

Question accordingly negatived.

Clause 1

"FLOOD" AND "COASTAL EROSION"

Amendment made: 30, in page 1, line 12, leave out from 'waters,' to end of line 13 and insert—

'(e) groundwater, or

(f) anything else (including any combination of factors).'.—*(David Wright.)*

Clause 19

LOCAL AUTHORITIES: INVESTIGATIONS

Amendments made: 31, in page 13, line 27, leave out 'In the event' and insert 'On becoming aware'.

Amendment 32, in page 13, line 27, after 'must', insert

', to the extent that it considers it necessary or appropriate,'.

Amendment 33, in page 13, line 32, leave out 'An authority' and insert

'Where an authority carries out an investigation under subsection (1) it'.

Amendment 34, in page 13, line 33, leave out 'under subsection (1)'.—*(David Wright.)*

Clause 28

POWER TO MAKE FURTHER AMENDMENTS

Amendment made: 35, in page 17, line 16, leave out paragraphs (a) and (b) and insert—

'(a) the Welsh Ministers, where the amendment relates to—

(i) a matter in respect of which functions may be exercised by the Welsh Ministers, the First Minister for Wales or the Counsel General to the Welsh Assembly Government, or

(ii) a matter within the legislative competence of the National Assembly for Wales, and

(b) the Secretary of State, for all other purposes.'.—*(David Wright.)*

Clause 29

RESTRUCTURING

Amendments made: 36, in page 17, line 25, leave out 'reassign' and insert 'transfer'.

Amendment 37, in page 17, line 26, leave out 'and' and insert 'or'.

Amendment 38, in page 17, line 27, at end insert

'to risk management authorities or other bodies.'.

Amendment 39, in page 17, line 33, leave out 'authorities' and insert 'bodies'.

Amendment 40, in page 17, line 42, leave out 'risk management authorities in England' and insert

'English risk management authorities and other bodies with responsibilities in relation to England'.

Amendment 41, in page 18, line 1, leave out 'risk management authorities in Wales' and insert

'Welsh risk management authorities and other bodies with responsibilities in relation to Wales'.—*(David Wright.)*

Clause 35

PROVISION OF INFRASTRUCTURE

Amendments made: 42, in page 18, line 32, at end insert—

'(3A) The regulations—

(a) may make provision only in relation to projects or works that in the Minister's opinion are of a size or complexity that threatens the undertaker's ability to provide services for its customers, and

(b) in conferring powers, must restrict them to projects or works that, in the opinion of the person exercising the power, are of a size or complexity that threatens the undertaker's ability to provide services for its customers.'.

Amendment 43, in page 19, line 1, after 'project', insert

', or part of a project,'.

Amendment 44, in page 19, line 27, at end insert '(if any).'.—*(David Wright.)*

Clause 36

WATER USE: TEMPORARY BANS

Amendments made: 45, in page 21, line 32, leave out 'private'.

Amendment 46, in page 21, line 33, at end insert—

'(c) watering plants on domestic or other non-commercial premises using a hosepipe;

(d) cleaning a private leisure boat using a hosepipe;

(e) filling or maintaining a domestic swimming or paddling pool;

(f) drawing water, using a hosepipe, for domestic recreational use;

(g) filling or maintaining a domestic pond using a hosepipe;

(h) filling or maintaining an ornamental fountain;

(i) cleaning walls, or windows, of domestic premises using a hosepipe;

(j) cleaning paths or patios using a hosepipe;

(k) cleaning other artificial outdoor surfaces using a hosepipe.'.

Amendment 47, in page 21, line 35, at end insert ';

(b) remove a purpose from the list in subsection (2).'.—*(David Wright.)*

Clause 38

INCIDENTAL FLOODING OR COASTAL EROSION: ENVIRONMENT AGENCY

Amendment made: 48, in page 24, line 11, at end insert ', and

(d) persons who own or occupy land that, in the opinion of the Agency, is likely to be directly affected by the work.'.—*(David Wright.)*

Clause 39

INCIDENTAL FLOODING OR COASTAL EROSION: LOCAL AUTHORITIES

Amendment made: 49, in page 25, line 18, at end insert ', and

(b) other persons who own or occupy land that, in the opinion of the authority, is likely to be directly affected by the work.'.—*(David Wright.)*

Schedule 1

RISK MANAGEMENT: DESIGNATION OF FEATURES

Amendments made: 50, in page 37, line 24, after third 'the', insert 'reasonable'.

Amendment 51, in page 37, line 28, after third 'the', insert 'reasonable'.

Amendment 52, in page 37, line 42, leave out 'a refusal of' and insert 'a decision in connection with'.—*(David Wright.)*

Schedule 3

SUSTAINABLE DRAINAGE

Amendments made: 53, in page 53, line 30, at end insert—

'(e) an internal drainage board, if the approving body thinks that the drainage system may directly or indirectly involve the discharge of water into an ordinary watercourse (within the meaning of section 72 of the Land Drainage Act 1991) within the board's district.'.

Amendment 54, in page 53, line 35, at end insert—

'(5) The Minister may make regulations about timing and procedure for determination of applications for approval; and the regulations may, in particular, specify the consequences of failure to comply with them.'.

Amendment 55, in page 56, line 33, leave out 'is therefore not' and insert 'therefore need not be'.

Amendment 56, in page 56, line 34, at end insert ';

(b) where a drainage system is entirely on a publicly-maintained road (and the adoption duty does not therefore apply to it).'.—*(David Wright.)*

Schedule 4

RESERVOIRS

Amendments made: 57, in page 73, line 38, at end insert—

'*Regulatory impact assessment*

40A (1) The Minister must carry out a review of the burden on undertakers in relation to large raised reservoirs of complying with the Reservoirs Act 1975 as amended by this Schedule.

(2) The review must be carried out at the end of the period of 12 months beginning with the operative date.

(3) In sub-paragraph (2) the "operative date" means the first date on which all of the following have come into force—

(a) section A1 of the Reservoirs Act 1975 (inserted by paragraph 2 of this Schedule), and

(b) regulations under sections 2(2C), 2C(1)(b) and 10(2) of that Act as amended by this Schedule.

(4) The Minister must prepare and publish a report of the review.'.

Amendment 58, in page 73, line 40, after 'In' insert 'this Schedule, and'.—*(David Wright.)*

Third Reading

9.14 pm

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): I beg to move, That the Bill be now read the Third time.

I thank Members from all parts of the House for their contribution in helping the Bill to reach this stage, following the pre-legislative scrutiny that the right hon.

[Hilary Benn]

Member for Fylde (Mr. Jack) so ably led. The House will recognise that there are the most demanding constraints on Bills this Session because of the shortage of time, but even with them the Public Bill Committee managed to debate the Bill, the amendments, most clauses on stand part, the vast majority of new clauses and several issues that were new to the original Bill. That in itself was a real achievement.

I am particularly grateful for the skill with which those who chaired the Committee—the hon. Member for Christchurch (Mr. Chope), my hon. Friend the Member for Carlisle (Mr. Martlew) and the hon. Member for Congleton (Ann Winterton)—steered the Bill's debate. I thank also the hon. Members for Vale of York (Miss McIntosh) and for Cheltenham (Martin Horwood) for their constructive scrutiny of the Bill and the part that they and their colleagues played in bringing us to this point.

I am also grateful for the very hard work that was carried out by the Welsh Assembly and, particularly, the Minister for Environment, Sustainability and Housing in Wales, Jane Davidson.

Nia Griffith: Does my right hon. Friend agree that this Bill has been one of the most outstanding examples of co-operation with a devolved Administration? The co-operation started at the very beginning: it was not a bolt-on; it was an integral part of the whole discussion.

Hilary Benn: I do, indeed, agree, and my hon. Friend makes an extremely powerful point. This Bill has shown what can be achieved if one enters into debate and discussion in the right spirit.

Many organisations have also been involved in helping us as a House to get the Bill right, and I place on the record our gratitude to them. I single out the religious groups, scout groups and others, whose very strong views on the unfairness that they faced in effect created clause 43, which allows for concessionary charges to be put in place for community groups. The truth is that theirs was an extremely doughty campaign. It was well argued, they were very forceful and they had an enormous effect for one simple reason: they had a really good point about their circumstances. The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), who had said throughout that we would find a way of sorting out the situation one way or the other, was as good as his word, and the Bill is proof of that, because it now safeguards community and religious groups against unaffordable increases in their surface water drainage charges.

Mr. Jamie Reed (Copeland) (Lab): On dialogue and continued dialogue, I must note that, although we are happy that the Bill, as successful as it is, has reached this stage, this is not the end of the story. The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies) knows from his work in Keswick and west Cumbria that we have to maintain that effective dialogue with communities to ensure that we get not only this legislation right, but future legislation absolutely perfect.

Hilary Benn: I agree, and I pay tribute to my hon. Friend for his work in his constituency. All Members representing Cumbria have done such work in very difficult circumstances, and I shall say a word more about that a little later. The Bill demonstrates that we have listened and responded. If legislation needs fixing or sorting, our duty is to ensure that we have the means to do the job, and Parliament should respond. That is exactly what we are doing with this Bill.

To conclude the thanks that I wanted to express, I turn to my hon. Friend the Under-Secretary. His hard work and commitment, and his open way of doing business, if I may so describe it, has won respect and friends in equal measure in all parts of the House. He has led the Bill through Committee and Report with considerable skill and determination, and great knowledge. Everybody involved, including me, is extremely grateful to him for the fact that we now have the Bill before us in such good shape.

Our discussions in Committee and on Report have made a good Bill better and stronger, with significant changes having been made since it was first published. That shows that we have listened to those inside and outside the House as it has been scrutinised. I want to touch on some of those changes. First, there is the new clause agreed in Committee on building regulations and flood resistance, which amends the Building Act 1984. As the House will know, Sir Michael Pitt recommended revising the building regulations to ensure that all new or refurbished buildings in high flood-risk areas are flood-resistant or resilient. Powers in the Building Act allow regulations to be made to cover flood resilience or resistance for new buildings or for major alterations, but they do not allow similar provisions to be made for most types of minor repair work. A practical example is the replacement of flood-damaged plaster with a more resilient plaster. Extending, through this new clause, the scope for which building regulations can be made will enable us, if appropriate, to regulate so that flood resilience or resistance measures are required when a building is being repaired. That prepares the way for implementing recommendation 11 of Sir Michael Pitt's hugely influential report into the floods of the summer of 2007.

At this stage, I would like again to place on record, on behalf of Members in all parts of the House, my thanks to Sir Michael Pitt for an outstanding report, for the way in which he went about his work, and for the fact that he did exactly what I asked him to do in the wake of the 2007 floods, which was to identify what lessons needed to be learned. As the House will know, we have not waited to get on with implementing several of his recommendations, some of which required legislation. This Bill is proof that we have listened to what he had to say and made good progress in acting on it.

Secondly, we have the new clause that helps to tackle the problem of bad debt in the water industry, which was raised on Second Reading. The new clause was tabled after those concerns were aired following the publication of Anna Walker's final report on the review of charging for household water and sewerage services. The new clause requires the owner of a property that is occupied by persons other than the owner to ensure that details of the occupier are given to the water and sewerage company. Should they fail to do this, the owner becomes jointly and severally liable for the bill

payment, along with the occupier. The provisions added to the Bill will allow water and sewerage companies to identify the bill payers who are liable and to pursue them for debt if they leave a property without having paid their bills. Ultimately, the benefit will be felt not only by the water companies but by all paying customers, who currently subsidise those who do not pay their bills by about £12 per household per year. This is therefore a very practical change.

Today, on Report, we have agreed to add to the Bill new clause 22 on the subject of social tariffs, about which a lot of hon. Members feel very strongly. The new clause, which is, again, very practical, will ensure that Ofwat does not rule out schemes brought forward by water companies on the grounds that those schemes introduce new cross-subsidies for other customers. Such schemes could potentially give badly needed help to those who are in the severest financial difficulty. We also tabled several Government amendments, almost all of which directly responded to debate in Committee where my hon. Friend the Under-Secretary said that he would consider issues further or responded to representations from other stakeholders. They include, first, measures to make the scope of the water infrastructure provisions clearer, for example to allow for retendering or for projects to be split. Secondly, there is a measure to make the duty on local authorities to investigate flooding less burdensome, because in Committee fears were expressed about local authorities having to do a whole range of things. The position on that will be clarified. Thirdly, we have made the hosepipe ban provisions wider, adding to the two uses of them that were originally identified. Fourthly, we have made the compensation and appeals provisions more comprehensive, particularly in relation to designated assets. There is now to be a comprehensive right of appeal, which I am sure will be widely welcomed.

We have just discussed the process for the approval of sustainable drainage systems, and we have made clearer the provisions on the protection of them once built. We have fitted together the timetables for the approval of SUDS and the granting of planning permission, and we have ensured that we protect SUDS by making it absolutely clear that if somebody digs up or affects them in the course of doing other work, they will have to repair them. Finally, we have made much more explicit the need for landowners to be consulted when risk management authorities use their new environmental powers. With those changes, the Bill will be even better.

On Second Reading, as my hon. Friend the Member for Copeland (Mr. Reed) has just reminded the House, we all had in mind the then recent events in Cumbria and the terrible impact that they had on the people, businesses and homes of that community. For many, it will take a very long time to recover. I pay tribute to all those who have worked very hard to provide support as people recover from the terrible impact of that night, such as the local authorities, neighbours who have helped neighbours and local communities.

The Environment Agency recently reminded us that the 2007 floods, which were where the Bill began, cost us more than £3 billion. That is a clear indication of the serious impact that flooding has and why it is right that we have taken all the steps that we have since then to protect more people. As the House will know, we have invested more money in flood defence, so more homes are protected than at the time of the 2007 floods. We have taken practical steps to provide support for property-level flood protection where it is not possible to have a flood defence scheme, and we have learned lessons about how the emergency services work. I must say that they did a pretty good job in 2007 and certainly a very good job in the recent Cumbria floods, as any Member who was there will attest.

As my hon. Friend the Under-Secretary said at the end of the Committee stage less than two weeks ago, we know that we need to be better prepared for more extreme weather in future. This is an incredibly important Bill, and it has received cross-party support and is eagerly awaited outside Westminster because it will take the further practical steps that are required to ensure that we are better prepared and protected in the years to come when large quantities of rain fall out of the sky.

The Bill will put in place new responsibilities on upper-tier local authorities to lead in dealing with surface water flooding of the type that we saw in Hull and Sheffield in 2007. As a society, we have come to learn that if we pave, tarmac and concrete over all our towns and cities and huge amounts of rain fall, it will be difficult for the water to flow away. We are therefore saying to upper-tier and unitary authorities, "You now have responsibility for bringing people together to work out where the water can flow". They must consider whether they can minimise the problem in future through work on sustainable urban drainage and through implementing the change that we have made to require planning permission if people wish to pave or tarmac over their front gardens. That is a very practical step, as is giving the Environment Agency overall responsibility.

For all those reasons, I am confident that both this House and the other place, where the Bill will now go into the capable care of my noble Friend Lord Davies of Oldham, will want to see the Bill reach the statute book. We have made good progress so far, and this was the right Bill to bring forward now. I commend it to the House.

9.30 pm

Nick Herbert (Arundel and South Downs) (Con): I thank Members on both sides of the House for their examination of the Bill and the improvements that they made. I am particularly grateful to my hon. Friend the Member for Vale of York (Miss McIntosh) for all her work on behalf of the Conservatives both in Committee and on Report, and I join the Secretary of State in paying tribute to the Minister's work. He conducted proceedings in Committee and on Report in the same constructive manner as he did those on the Marine and Coastal Access Act 2009, which is much appreciated—it facilitates the passage of better legislation. As they sit here at this late hour, I also thank Department for Environment, Food and Rural Affairs officials for their work behind the scenes, which is often unappreciated.

There is a great deal of agreement on the Bill across the House. Eighteen months after the Pitt review, it is essential that we make the changes needed to protect people and communities from floods and their aftermath. As the Secretary of State rightly said, the recent Environment Agency report into the 2007 floods reminded us of their huge financial impact—more than £3 billion—and there were thousands of cases of personal suffering, with people losing possessions, property and, in the

[Nick Herbert]

very worst cases, their lives. Those problems are not going to go away; indeed, there is plenty of evidence that they could get worse.

We are all well aware that this will be a short parliamentary Session—perhaps the Secretary of State knows exactly how short, perhaps not—and we have been pleased to co-operate to help ensure that the Bill makes it on to the statute book before the general election is called. As I said on Second Reading, it is a pity that we were unable to include some important water industry measures because of the shortage of time, and we will need to return to them in the future.

Despite the general consensus, we remain concerned about a few measures in the Bill, and we hope to work constructively to address them in the other place without impeding its passage. At the heart of the elements of the Bill relating to flooding are oversight powers given to the Environment Agency. The national strategy created under the Bill will be a comprehensive document setting out the overall approach to be taken. That is welcome, but we must guard against an over-centralising approach that leaves too little discretion to local authorities, and that does not empower them to implement the measures they consider most appropriate. The assurances given in Committee that the national strategy would not be too centralising and that it would allow for such discretion were welcome, but we would like the Government to be clearer that they are not offering hostages to fortune by refusing sensible changes that would clarify the relationship between the national and local strategies. We must also ensure that concerns about the accountability of Environment Agency decisions are addressed.

Some issues relating to the automatic right to connect remain. Sewer flooding is one of the most unpleasant forms of flooding that people can experience. If the Bill can be improved so that incidences of that can be reduced, it should be so amended. It should also be amended so that sewerage systems that do not meet the required standards, or that risk causing flooding elsewhere, are excluded.

The Secretary of State today added a new clause to allow social tariffs. Affordability is a significant and growing problem in the water industry, and with one in six customers complaining of unaffordable bills, it needs addressing. That is a concern on both sides of the House. We welcome the work done by Anna Walker in her review, but that package of measures needs consultation and a formal response from the Government rather than a piecemeal approach. It is important that there is a full assessment of those proposals, including proper consultation with the industry, the regulator and consumer groups.

As I said on Second Reading, we have proposed a White Paper for the industry to set out a direction of travel and draw together the various strands of thinking currently going on, which would focus heavily on the problems of affordability. This would provide a clear strategy, and necessary certainty, for the water industry. I continue to believe that that is the right approach, enabling a holistic package of measures for water management.

It may very well be the case that the introduction of cross-subsidies is a suitable way of dealing with the problems of affordability. After all, there is now cross-party support for action to deal with problems in relation to charging community groups for surface water drainage, as the Secretary of State pointed out. However, Ofwat has in general been working to unwind cross-subsidies, while today's new clause allows for new ones. We need further debate and clarity about the implications for all customers, and the potential effects need to be transparent. As my right hon. Friend the Member for Wokingham (Mr. Redwood) argued, with typical cogency, we are in danger of requiring very poor households to be subsidised by the only slightly less poor. Late-tabled clauses on Report are not the way to consider this issue properly.

Hon. Members of all parties are concerned about the issue of insurance and the way in which properties can be affected by flood risk. There was insufficient time to consider properly new clause 14, tabled by the hon. Member for Cheltenham (Martin Horwood), which focused on the problem of homes that have not been flooded but have nevertheless been hit by raised insurance premiums. New clause 14 bore similarities to our new clause 11, and we are sympathetic to these concerns and happy to work with the Government and the Liberal Democrats to see how the issue can be addressed in the other place.

This Bill was introduced in the aftermath of the Cumbrian floods, which dominated the news before Christmas. Two months on, only a handful of families are back in their homes, with more than 1,000 houses still empty. Most will not be able to return until May. It is essential that the people of Cockermouth, Workington and the surrounding area are not forgotten, as hon. Members on both sides of the House have said. We should constantly be reminded of people who remain homeless as a result of flooding, wherever it occurs, so that we are spurred to action to get them back in their homes as soon as possible, and so that we remain mindful of future risks. That is why we proposed amending the Bill, in line with the Pitt report, to introduce a requirement on the Secretary of State to give regular updates on the recovery process, and we hope that the Government will respond favourably when we raise that point again in the other place.

We failed to reach consideration of amendments about reservoirs, and there are concerns that provisions in the Bill on inspection may be unnecessarily onerous for small reservoirs in agricultural areas and for golf courses, where there is no risk to public safety. We want to ensure that regulation is proportionate and that reservoirs that pose no risk are not caught unnecessarily. We shall return to that issue in the other place.

As I have said, this is a much-needed Bill and we support it. Members on both sides of the House agree on the importance of reducing the risks of flooding and making changes to our national and local response to incidences of flooding when, regrettably, they occur. We are committed to playing our part in enabling the passage of this legislation and I am sure that the other place, while maintaining the rigorous scrutiny that is its time-honoured and important role, will also be mindful of the need to see this Bill reach the statute book.

9.38 pm

Martin Horwood: This Bill, if a little late and perhaps a little rushed—certainly today—is an important and much-needed piece of legislation, which we continue to support. In just a few minutes, flood water has the

power to instil fear in people, damage property—almost beyond belief in some cases—and cause enormous costs for households and businesses. In mercifully few cases, it can also take lives. It is therefore right that Parliament should address this issue now, and Members on both sides of the House are doing their best to ensure that the Bill reaches the statute book and is not kyboshed by a general election. I return the thanks of the Secretary of State for his and his Department's work on the Bill, and commend to him the work of the Under-Secretary of State for Environment, Food and Rural Affairs, the hon. Member for Ogmore (Huw Irranca-Davies) and the Bill team.

The Secretary of State was right when he said that his Minister has an open attitude. It has had a practical and positive result. A series of changes have been made during the various stages of the Bill in this place, many of which were instigated by the Opposition, including the hon. Member for Vale of York (Miss McIntosh), who has made valuable contributions. That is exactly how Parliament should work, and I wish in a way that more of our constituents could see Parliament at work in such a forum and with such collaboration, instead of just the more knockabout antics at Prime Minister's Question Time.

I shall set out some of the positive changes. The Secretary of State mentioned the new provisions on building regulations and bad debt, but there were many others. I am pleased that the Minister paid attention to our request that the Bill clearly and beyond all possible ambiguity address all forms of flooding, specifically ground water, which has caused many problems in my constituency and many others. Other points were accepted in Committee, and if they are not in the Bill, they may be reflected in specific guidance—we had many useful undertakings from him on that.

I am particularly keen to welcome those measures which the Minister accepted that reinforced how flood defence and water management should work with nature, and not against it. For instance, we made changes to, and he accepted points on, the reinstatement of woodland as an important method of flood and water management. In a sense, it represents a change in philosophy away from always relying on hard defence to working with the landscape and nature. That is not only a more environmentally friendly approach, but a more effective and perhaps even a cheaper approach.

We also took an important step towards landscape scale planning, again reflecting the wider importance of the natural environment. In doing so, we allowed lead local authorities to collaborate explicitly over larger areas in the creation of their flood risk management strategies. That is important because obviously floods do not follow local authority boundaries, and actions in one area can have huge implications downhill or downstream in another area. That was an important set of changes.

Thanks to the hon. Member for Selby (Mr. Grogan), we actually won a vote against the Government in Committee. That is a rare and welcome event, and I pay tribute to him for his long record in prompting such votes—there have been too few successes, but we had one on that occasion, and it has given added importance to regional flood and coastal erosion committees in approving Environment Agency work in their regions. I think that it will be an entirely beneficial amendment.

Then, of course, we had this enormous and important change on concessionary charging schemes or social tariffs—whatever we want to call them—which I am proud to say resulted from a Liberal Democrat amendment. Getting it on the statute book in good order and good time could have real benefits for thousands or even tens of thousands of our poorest and most vulnerable citizens, so it is an important step to have taken. As I said, I am proud that it resulted from a Liberal Democrat amendment.

A few concerns remain, however. The continuing confusion of responsibilities at the local level has not been entirely resolved. As the hon. Member for Arundel and South Downs (Nick Herbert) pointed out, the Bill gives drastic powers to bodies such as the EA, including in particular those in schedule 1, under which just about anything could be designated as an asset to flood risk management. After a designation, the owner—whether Network Rail, a farmer tending his crops or the owner of a private wall—would barely be able to touch their asset, let alone alter it, without seeking permission from the flood risk management authority. That power in the Bill is drastic and without qualification, although there is a right of appeal against designation. Nevertheless, our noble Friends might have to return to that in another place.

There were two major issues that received rather less discussion than they deserved and on which it fell to the Liberal Democrats to propose real change. The first was planning permission. We were unable to press it to a vote today, although we did press it to one in Committee. I was rather disappointed not to receive Conservative support on that occasion, because it is crucial that urbanisation and its contribution to flooding should be addressed and that the current, inadequate response of PPS25 to managing flooding be sorted out. Our amendment sought to give local authorities the explicit power to refuse planning permission to new developments on the grounds of flood risk in high flood-risk areas. I still think that it is an important amendment, on an issue that concerns many of our constituents, which should be returned to at a later stage.

The other issue, which we just about got time to discuss today, is insurance. I welcome the Minister's positive statement about how he will engage with the insurance industry on some of the issues. I would have preferred the Bill to have said that explicitly and to have included slightly firmer regulations. Again, I am disappointed that I did not receive Conservative support on that. Our noble Friends will have to—*[Interruption.]* There is a little chuntering from Conservative Members, but I remember widespread abstention only a matter of minutes ago on that very issue.

Dan Rogerson: I am grateful to my hon. Friend for giving way at this late stage, as we did not have time to talk about this earlier. I hope that he agrees that the Minister might, when talking to the industry, want to look at ensuring that all payouts are made in a timely fashion. As the MP representing Boscastle, which experienced problems because some of the insurance companies were based overseas, I think that that is crucial, so if the Minister can address it when he talks about insurance, that would be useful.

Martin Horwood: My hon. Friend makes a welcome contribution and raises an important issue.

[Martin Horwood]

I thank the Minister and the hon. Member for Vale of York for their important and constructive contributions to the debates throughout. Although he is not present now, I would like to give particular thanks to my hon. Friend the Member for Brecon and Radnorshire (Mr. Williams) for his wise and expert contributions. Once again, I would also like to thank Victoria White, Har Shone and Tom Jenkins for their expert advice in my office. My test for the Bill was a simple question that I put on Second Reading: will the Bill help Warden Hill? By that I meant: will it help those thousands of neighbourhoods all over the country for which we had to try to make a practical difference? After many hours of debate, I think that the answer is yes. However, by neglecting critical issues such as insurance and planning, I do not think that the Bill will help Warden Hill nearly as much as it should have. Nevertheless, it remains a positive and fast-improving piece of legislation. I am happy to offer support from the Liberal Democrat Benches for its continued passage through Parliament.

Several hon. Members *rose—*

Mr. Speaker: Order. Four right hon. and hon. Members are seeking to catch my eye and we have under 13 minutes to go. Members can do the arithmetic for themselves. I would like to get everybody in.

9.47 pm

Mr. McCartney: I will take a maximum of two minutes, Mr. Speaker.

I welcome all aspects of the Bill, particularly as one of those who originally gave evidence to Sir Michael Pitt's inquiry and who was interviewed about some of the recommendations that we wanted it to come up with. That inquiry and its recommendations were excellent. As a consequence, the Bill will be welcomed throughout the country as a major contribution towards resolving the issues that need resolving.

Today we debated social tariffs, subsidies and cross-subsidies. The water industry is one where cross-subsidies through social tariffs are important, because all the capital investment and all the infrastructure changes that have taken place—and will continue to take place—constitute capital with a shared risk. Through their rates, poor constituents of mine subsidise, with huge sums of money, investments on the Fylde coast in Lancashire and in parts of Cumbria on the west coast, as well as other investments in other parts of the region, and quite rightly so. It is therefore important that what the Bill does should not be seen as a sop to a few people in some communities who are poor. The poor make huge contributions towards the capital infrastructure of the water industry, yet they are sometimes poorly treated, in the services that they get and the costs for those services. I welcome the Bill as striking a balance between affordability on the one hand and shared risk in capital investment on the other.

My final point is about affordability, which also affects insurance. We simply cannot leave that elephant in the room any longer. The lives of tens of thousands of our constituents are being ruined—and they will continue to be ruined in the years to come—by an industry that cannot deal appropriately with the issues of insurance and shared risk. We need shared risk in insurance. Without that, we will not get the investment that we need to ensure that communities can be more resilient in future than they are now.

9.49 pm

Nia Griffith: I welcome the social tariff. Earlier today I pointed out the parallel with the council tax. It is a great disappointment to me, though not a great surprise, that the Opposition Front-Bench team is showing such hostility to that clause. There are sophisticated ways of dealing with it. Graduated methods can be used. To repeat that the poor will be subsidising the very poor is not accurate. It is important to remember that there are more sophisticated methods than a blanket cut-off point. We are proud to introduce the measure, and I am glad that we have had support from the Liberal Democrats.

As my right hon. Friend the Member for Makerfield (Mr. McCartney) said, we need to recognise the extraordinary contribution that has been made over the years because there has been no relief from water charges. A disproportionate amount of people's income has been spent on essential infrastructure projects.

I shall speak briefly about Government amendment 54. The whole of schedule 3 is crucial because it deals with the idea that we must think about the future. Every time we build, we must think about what we are going to do with the excess surface water. One of the things that has worried me is that in some areas where there are unitary authorities, the same authority which, as the planning authority, will consider planning applications, will also comment on the flood risk and sustainable drainage systems.

We needed Government amendment 54 to strengthen the position of the Minister and to enable him to demand certain standards, introduce regulations and specify the consequences of failure to comply. That amendment is extremely important, particularly where the unitary authority is itself the applicant in a planning application. Without that ministerial intervention and check, the same authority could be acting as applicant, judge of a planning application, and the warder of flood risk.

I join hon. Members in saying that we are proud that the Minister has put in the community halls concession and enabled groups such as scout groups and the Urdd in Wales to continue to provide a good service without having to put all their money by for additional water charges, when they had other activities planned.

Lastly, I am very pleased that although it is a complicated procedure and will take time, the Bill tackles the adoption of private sewers. That is extremely important for many of my constituents.

9.52 pm

Mr. Drew: I shall be brief so that my hon. Friend the Member for Ealing, North (Stephen Pound) can get in as well.

I was delighted to take part in the Committee stage of the Bill. I asked to serve on the Committee and was allowed to do so. Having also taken part in the pre-legislative scrutiny, I have seen the progress of the Bill from its earliest days. We know that there were many questions about whether it was needed, not necessarily about

whether the timing was right. Some of us would argue that it should have been introduced sooner. With the Cave review, the Walker review and the draft Bill, which was always there and unlikely to be carried through in its totality, there were always those who would urge caution, delay and so on.

The Government were right to introduce the Bill. Like the hon. Member for Cheltenham (Martin Horwood), I pay tribute to the Minister who took it through. The essence of good legislation is not what happens in the Committee, but what happens outside it. We had useful discussions, and as a result, the Minister listened. Although we are still in play, we have a better Bill which will, in due course, be fit for purpose. It will need to be amended and enhanced, but we knew always that.

To my mind, the simple way to look at this is whether we have aligned better the legislative framework, the responsibility of those who have to take action, and the funding mechanisms that allow those actions to take place. I believe that we have. Some criticisms could be made, and we could have done some things differently and better; and no doubt the other place will look further into such matters. I hope, however, that their lordships will be very careful not to wreck, unduly delay or send back this Bill, because my people in Gloucestershire need to know that they are better protected than they were before the Bill started its parliamentary passage. They need to know that what happened in 2007 will not happen again—not, of course, that we can stop the floods, but we can rectify some of the things that went wrong.

Although I was not there in person to see the beatification of my hon. Friend the Member for Selby (Mr. Grogan), I am glad of the opportunity to say before he leaves this place that he will for ever be known as someone who has managed to defeat the Government and bring them to their senses on an issue that I still do not understand, but am sure is of great import; and will ever remain so.

9.56 pm

Stephen Pound (Ealing, North) (Lab): I am not sure which great parliamentarian it was—it might even have been you, Mr. Speaker—who said that when the House is united, it is invariably wrong. May I say that tonight's business disproves that maxim? Although I will not attempt to exceed the slavish loyalty of my hon. Friend the Member for Stroud (Mr. Drew), I would like to say that we have seen the extraordinary circumstance today that there is widespread recognition both within and outside this place that we have achieved something of considerable moment.

The hon. Member for Arundel and South Downs (Nick Herbert) said virtually the same thing. He raised some points and additional issues that will have to be considered in the other place. The responsibility of Ofwat for the individual is well delineated in the Bill, but the responsibility for community groups needs to be re-examined. Above all, however, we have produced a very good piece of legislation.

It seems less than a year ago that my hon. Friend the Member for Weaver Vale (Mr. Hall) first raised on the Floor of the House the circumstances relating to community groups in the United Utilities area. I speak particularly with reference to clause 43. I speak of one of those dramatic occasions when we realised that over the length and breadth of this land, scout groups, Church groups, sports clubs and community groups of every shade would not just be affected by the actions of some utility companies, but could be bankrupted and driven out by them. In my own area, Greenford and District scouts were affected, and an individual scout HQ was faced with a potential bill of £700 or £800 a year. That was impossible.

From that original clarion call and stirring cry from Weaver Vale, a meeting in Portcullis House was arranged, which 74 Members of Parliament attended; that must be close to a record. We met in Nobel house last summer—a great office built on the profits of the explosives industry. There we met again my hon. Friend the Minister, who juxtaposed that explosive past with an emollient, gentle, positive and productive present. In fact, during the course of those meetings, he revealed to us that within the heart of his constituency, at the top end of the Swansea valley, is the oldest continuous scout group in the UK—Ystrad Gynlais. He won himself many friends.

I speak from the proud position of being one of the co-chairs of the all-party parliamentary Scout Association group—a position I aspired to for many years and have now held for 13. I would particularly like to pay tribute to the Scout Association and its people, such as Dr. Stella Creasy, who was a constant source of activity and activism in raising the issue here, and Sophie Richings, a young leader from Enfield who went to all three party conferences. I was able to attend only one: I could not afford the champagne at the other—and frankly, I did not have my sandals with me, so I missed the Liberal Democrats.

I also want to mention Derek Twine, chief executive of the Scout Association, and David Shelmerdine, who will retire this month after more than 30 years in the association. He has seen the Bill go through, thanks to the Secretary of State and the positive work, engagement, good parliamentary skills and human decency of the Minister who has been dealing with the Bill today.

Mr. Speaker: Order. It is always a pity to have to interrupt the hon. Gentleman's flow, but I must now put the Question.

10 pm

Debate interrupted (Programme Order, 15 December 2009).

Mr. Speaker put forthwith the Question already proposed from the Chair (Standing Order No. 83E). That the Bill be now read the Third time.

Question agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

BETTING, GAMING AND LOTTERIES

That the draft Gambling Act 2005 (Operating Licence Conditions) (Amendment) Regulations 2010, which were laid before this House on 15 December, be approved.—*(Mrs. Hodgson.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

PUBLIC PASSENGER TRANSPORT

That the draft Passengers' Council (Non-Railway Functions) Order 2010, which was laid before this House on 5 January, be approved.—*(Mrs. Hodgson.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)).

INFRASTRUCTURE PLANNING

That the draft Infrastructure Planning (Decisions) Regulations 2010, which were laid before this House on 5 January, be approved.—*(Mrs. Hodgson.)*

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until tomorrow.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)).

FINANCIAL MANAGEMENT

That this House takes note of an unnumbered explanatory memorandum from HM Treasury dated 2 December 2009 on the European Court of Auditors' 2008 Annual Report, an unnumbered Explanatory Memorandum from the Department for International Development dated 3 December 2009 on the European Court of Auditors Annual Report on the activities funded by the seventh, eighth, ninth and tenth European Development Funds, concerning the financial year 2008, European Union Document No. 12139/09 and Addenda 1 and 2 on the Protection of the financial interests of the Communities, an unnumbered Explanatory Memorandum from HM Treasury dated 18 August 2009 on the European Anti-Fraud Office's ninth activity report for the period 1 January to 31 December 2008, European Union Document No. 12668/09 and Addendum 1, Commission Report on the Annual report to the discharge authority on internal audits carried out in 2008, European Union Document No. 14998/09 and Addendum 1, a Commission Report to the European Parliament on the follow-up to 2007 Discharge Decisions (Summary)-European Parliament Resolutions, European Union Document No. 16632/09, European Court of Auditors Special Report on delegating implementing tasks to executive agencies, European Union Document No. 17588/09, Commission Report to the Council on the follow-up to 2007 Discharge Decisions (Summary)-Council recommendations; and supports the Government's promotion of measures to improve the level of assurance given on the Community budget.—*(Mrs. Hodgson.)*

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until tomorrow.

PETITION

Planning and Development (Essex)

10.1 pm

Bob Spink (Castle Point) (Ind): I warmly congratulate two of my constituents, Mr. Brian Keeler and Mr. Neil Hamper. Both are doughty campaigners who have worked for their community for many years, serving people with great honour and dignity, and they have delivered a significant petition which, in bulk, will be delivered directly to the council tomorrow evening. The councillors will be held to account by the community for their decision. Residents want the plan to be rejected.

As the petition is rather long, I shall not read it out.

Following is the full text of the petition:

[The Petition of Brian Keeler, the residents of Castle Point and others,

Declares that they object to the proposed development of the area between Nos. 18 to 32 High Road, Benfleet to construct a building providing 5 Retail Units at Ground Level, 22 Parking Spaces, 2 Offices, plus 12 x 2 bed flats and 2 x 1 bed flats at 1st and 2nd floor levels; that this development should be rejected because the proposed, much larger building would dominate and overlook existing properties, bring unacceptable problems including inadequate parking, fails to show where access to and from the site parking area will be, bearing in mind an existing public parking area in Adelaide Gardens, vague refuse storage area, restricted sight lines for emerging traffic from St Mary's Drive, reduction of the pavement, loss of light entering adjoining buildings and relocation of the heritage telephone kiosk and post box; further declares that this development would further spoil the Conservation Area and create unacceptable stress on the existing infrastructure, including roads, schools, rail, doctors, dentists, etc.; that for these and many other valid planning reasons this application should be rejected by the local Councillors, elected to represent their constituents, and that given the importance to the wider community of protecting this unique Conservation Area, unelected and unaccountable officers must properly and widely consult the public before permitting such developments.

The Petitioners therefore request that the House of Commons urges the Government to press Castle Point Borough Council, and all Councillors, to reject this planning application and to substantially protect the unique St Mary's Conservation area.

And the Petitioners remain, etc.]

[P000726]

Aluminium Industry

Motion made, and Question proposed, That this House do now adjourn.—*(Mrs. Hodgson.)*

10.2 pm

Mr. Philip Dunne (Ludlow) (Con): I am grateful for the opportunity to address the House on a topic that is of significant interest in my constituency, and of wider interest to the UK economy.

My constituency includes the town of Bridgnorth. It may surprise the House to learn that Bridgnorth is sometimes known as the aluminium capital of the country. That is because it is home to two large aluminium processing plants: Bridgnorth Aluminium, a rolling mill that makes aluminium flat-rolled coiled products including litho for the printing industry, and employs some 230 people; and Novelis, whose subsidiary has rolling mills in Bridgnorth and is the last aluminium foil producer in the UK. Its foil is used as packaging in containers and as food packaging, and has other industrial uses. It employs 300 people. Both companies are among the largest employers in my constituency, and together they represent one of the largest remaining repositories of aluminium skills in the country.

Last September, the main supplier to Bridgnorth Aluminium —the primary smelter operated at Holyhead on Anglesey by Anglesey Aluminium—was closed. I do not intend to dwell on its demise because the subject has often been raised in the House, not least by the hon. Member for Ynys Môn (Albert Owen), who is present tonight. I shall be happy for him to contribute to the debate after my speech and before the Minister responds, if he wishes to do so. The Minister himself was intimately involved in the discussions that preceded the closure, which was a result not of his contribution, but of a failure to provide an acceptable economic package to allow energy to be supplied at a competitive price. I shall return to that shortly.

I am aware that the Government tried to put in place a rescue package worth some £12 million a year for four years to subsidise energy costs. My purpose tonight is not to debate the failure of that package but to highlight the problems that muddled Government policy is posing to the remaining aluminium and other heavy industrial manufacturers in this country, many of which are at severe risk of going the same way.

As you will be aware, Mr. Speaker, aluminium production is one of the most energy-intensive processes in manufacturing. As David Bloor, managing director of Anglesey Aluminium, explained to Members at a presentation in December, when describing why the plant had closed:

> "Anglesey Aluminium could not afford to buy power in the UK and reach a breakeven financial position. This is because the worldwide price of aluminium does not include a cost of carbon."

The aluminium industry in this country lost 145,000 tonnes, almost half of our primary production capacity, through that single closure and some 400 jobs were lost. Also last year, we lost almost a third of secondary aluminium production, which is production from recycled aluminium, with the closure of one of the largest secondary smelters in Cheshire. There are now only two remaining primary smelters, one at Lynemouth in Northumberland and the other in Lochaber in Scotland. Their owners have no plans to close those smelters, but the experience of production in this country in recent years and precedents elsewhere in Europe are not encouraging, partly because electricity costs in this country are some 20 per cent. higher than they are on the continent.

Competitive energy supply is a critical feature for effective aluminium production. My proposition is that the failure of the Government to recognise that the country needs an efficient and cost-effective energy policy has led to the demise of the nuclear plant at Wylfa, with no adequate replacement to allow production to continue at Anglesey, and the same problem is likely to befall other heavy manufacturing sectors throughout the country. The Government have time and again failed to recognise that we need an effective energy policy. They are therefore putting manufacturing jobs and processes at risk.

In addition to competitive energy markets, the industry relies on proximity to markets. That exists in the UK at the moment. We have an integrated manufacturing capability, in terms of both raw material supplies and end users, but that is in danger of breaking down. Just during the past year, Bridgnorth Aluminium, the company in my constituency, lost its largest raw material supplier at Anglesey, its only direct UK competitor, one major rolling mill engineering supplier in the south of England and its UK partner for aluminium recycling. That means that the chain of industrial activity in which it is a key part is in danger of breaking down.

The loss of raw materials means that the company has two essential options. One is to increase imports, which are readily available. That risks carbon leakage because many of the imports will come from countries where carbon measures are less rigorous than they are in the EU or the UK. The other option is to look to invest in its own cast-house to provide production smelting facilities. It may investigate that. If it were to do so, that is an energy-intensive process, so there is a significant risk that it may not have the electricity supply on a cost-effective basis. By introducing an additional smelting process into its manufacturing regime, it may become less competitive on international markets and it may suffer additional carbon usage, because that process will generate carbon.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): I would not wish in any way to diminish the importance of the points that the hon. Gentleman has raised in the context of the industry, but does he agree that the problems that it faces underline the importance of the actions that the Government have taken to sustain the construction industry and a market for aluminium products? There is a need to keep programmes such as Building Schools for the Future going to ensure, notwithstanding the problems, that there is still a viable market for that product.

Mr. Dunne: The construction industry is not a customer of either of the two plants in my constituency, but I can see that for other aluminium processors maintaining demand is very important.

Returning to the issue of imports and the impact on the industry cluster and the supply chain, there is no doubt that if we start to lose the integrated chain of markets in this country, there will be a great risk in respect of major investment decisions for other manufacturing companies that are consumers of aluminium products.

[Mr. Dunne]

Companies that are currently thinking of investing in UK facilities in, for example, the automotive industry, which is close to the heart of the hon. Member for West Bromwich, West (Mr. Bailey), or the aerospace or packaging industries, may well look elsewhere if the raw material that they rely on from aluminium production moves abroad. There is, therefore, a longer-term risk to a much wider range of aluminium producers.

Carbon leakage is another principal issue. The Government's climate change levy is one of the main culprits in this regard, in addition to their failure to introduce an effective energy policy over so many years. The climate change levy is a tax on energy use, not on carbon emissions. The UK climate change agreement, which was introduced in 2001, is now in its final reporting period, and I wish to say a few words about it. First, the aluminium industry has been at the forefront of achieving carbon reductions through its efforts since 1990. If we compare the carbon emissions targets to which the Government have signed up with the 1990 baseline, we see that the aluminium industry as a whole has reduced its emissions by 39 per cent. That is within 1 per cent. of the target, and it is a remarkable achievement. Yet, as a result of the climate change levy and the Government's proposals, it will be penalised for this success. The goalposts are being moved in such a way that past success is not recognised. Raising the targets on an absolute, rather than a relative, basis makes it more difficult for businesses that have already achieved reductions in carbon emissions to be able to meet the next target without further significant investment. Given the competitive position of the industry and the uncompetitive position of operating with the current energy costs in this country, it is very hard to argue for that.

There is also the issue of the consequences of the Government's introduction in the pre-Budget report of a further element of gold-plating. The Government propose to reduce the climate change levy rebate for companies in energy-intensive industries who are participants in the climate change agreement from 80 to 65 per cent. from 2011. The Aluminium Federation is the trade body for the industry. It has estimated that its 45 member companies who participate in the climate change agreement will see a direct increase in their costs of some £4 million to £5 million a year. That cost will have to be absorbed straight off their bottom line, at a time when they are reeling from the impact of the recession and very low margins apply. This is completely unnecessary. This tax takes this country beyond the measures required under the EU emissions trading scheme. It is purely a tax revenue-raising measure, as perceived by the industry, and it penalises growth in the industry, for the reasons that I have set out. The estimated cost to the manufacturing industry of the measure announced in the pre-Budget report is some £50 million. We will have to wait to see whether the cost emerges in the Budget—if we ever have one. I urge the Minister to make representations to his colleagues that this measure is ill-founded and will merely accelerate the demise of many of the heavy manufacturing industries in this country.

An example of this measure's ineffectiveness in tackling carbon emissions is the Government's own estimate that the introduction of this reduced relief will save only some 200,000 tonnes of carbon emissions—that works out at a cost of some £250 per tonne. No logical argument can be made that this is being introduced to reduce climate change and emissions, because of the inconsequential reduction involved; this is purely a tax-raising measure.

The answer to this situation is to change the whole basis of levying tax on heavy industrial companies and, as my colleagues have been urging for some years, to use a carbon levy as a replacement for the climate change levy, which has the effect of raising tax and costs, without reducing carbon to the degree that it was stated to do.

I conclude by reminding the House that the Government are failing to recognise the achievements of the aluminium industry in meeting its own carbon reduction targets. They are seeking to gold-plate these targets, raising the goalposts in excess of the EU targets; raising tax, not reducing carbon emissions; and raising those emissions through leakage overseas. Far from helping British manufacturing, the Business Secretary seems more interested in helping businesses overseas and, dare I say it, indirectly some of his friends in Russia, who have significant interests in the aluminium industry in other countries.

10.16 pm

Albert Owen (Ynys Môn) (Lab): I am grateful to the hon. Member for Ludlow (Mr. Dunne) for allowing me to speak in this important debate and I congratulate him on securing it. I declare an interest, as chair of the all-party group on the aluminium industry. The industry had a difficult 2009, not least, as he said, in my constituency with the cessation of primary smelting at Anglesey Aluminium by its parent company, Rio Tinto Alcan. That was a massive blow to the local economy and to UK manufacturing in general, because this smelting was a big contributor to the local economy and to primary smelting in Europe and the United Kingdom.

There were a number of complex reasons for this decision; the energy issue was one of the primary concerns that the company had, but several other issues were involved, including internal matters in Rio Tinto Alcan. That international company had moved its production to other operations across the world. The global downturn affected all manufacturing—aluminium, in particular—and it was also a factor.

The hon. Gentleman referred to the link with Wylfa, but I remind him that a new build had been on the agenda for many years under the previous Conservative Government and they aborted the nuclear programme because of complex planning issues and so on. Those had to be dealt with, but I am pleased to say, as a proud supporter of nuclear energy, that Wylfa is on the new identified list for the future. I hope that we can resolve this situation.

The Government gave a lot of support to Anglesey Aluminium over a long period, but in the end it chose not to take the resources available to help it bridge the gap and not to take the substantial financial package that was put in place to help it. The company requested this help and was given it, but unfortunately it decided not to take it. The remaining production at Anglesey Aluminium will be the remelt business, which will employ more than 100 people, but that is a far cry from the 1,350 people who worked at Anglesey Aluminium prior to the 1980s.

The aluminium sector faces a number of challenges, not least from competition from countries such as China. The hon. Gentleman referred to the announcement made by the Chancellor in the pre-Budget report of a cut in the climate change levy rebate, which this Government introduced, from 80 to 65 per cent., and that is a big blow for the industry at this delicate juncture. The rebate is part of an agreement whereby intensive energy users, such as the aluminium sector, have cut their emission levels severely and well. It is a success.

Like the hon. Gentleman, I want to ask the Minister to ask his colleagues to reconsider the matter. There are other ways of meeting the European energy directive and I think that we should perhaps consider coal, oil and gas production rather than the measure that they are talking about. I wish that he would take that on board and not penalise the sector, which is reducing emissions and making environmental and economic sense.

I shall be brief, Mr. Speaker, but it is not all doom and gloom in the industry. Demand for aluminium production is projected to double by 2020. New technologies are evolving, with stronger products that use less metal and less energy. Growth in aluminium recycling is reducing both consumption and emissions. My friends in the Aluminium Federation tell me that 75 per cent. of all aluminium ever produced is still in use today. That shows the success in recycling aluminium, which is a very important product. The Minister will be aware that both the car and aviation industries are attracted by aluminium products. The Airbus A380 is 70 per cent. aluminium.

Let me finish, because I understand that the Minister has to reply to the debate in the time allocated. The aluminium industry is relatively young—it was founded in 1866—but the product is evolving, and will do so with continued support from the Government. I acknowledge that they have done an awful lot to help manufacturing—we see this week that manufacturing is bucking the trend and coming out of the global recession far quicker than many other sectors. I ask the Minister to take on board the important issues that the hon. Gentleman and I have raised. I ask him to reconsider the issue raised in the pre-Budget report and to give the aluminium industry and UK manufacturing the support that they deserve so that they can be in the fast lane and so that the UK can be ahead of the game.

10.22 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Ian Lucas): I congratulate the hon. Member for Ludlow (Mr. Dunne) on securing the debate. I know that he is an active member of the all-party group on the aluminium industry and how much the industry means to him personally, as well as to his constituents. He told us of the two significant companies in his constituency and I am well aware of his deep knowledge of the industry. He is aware that I met members of the all-party group for an interesting and informative breakfast shortly before Christmas—doesn't time fly?—and have therefore heard some of the points that he raised this evening before in a less formal environment.

We are, of course, discussing an extremely important industry for the United Kingdom. I know that this has been a difficult year for Bridgnorth Aluminium, with business down by 40 per cent., as I understand it, and the loss that the hon. Gentleman described of many of its key partners in the UK. That is extremely significant and important. The Government need to deal with that, and we are determined to do so.

This country has a significant history in aluminium, starting with the smelting of aluminium ingots in the Scottish highlands. According to the Office for National Statistics, the UK aluminium industry is worth £425 million gross value added and employs 8,000 people. That means it is worth 0.3 per cent. of overall manufacturing value and employment. That is only part of the story, because the industry also plays an important role in the manufacturing supply chain with high technology industries such as aerospace, automotive and construction requiring high value and continually improving aluminium products.

I know that the aluminium industry also forms part of the identity of many local communities. In my constituency, we have Hydro Aluminium—a company that I have visited—and, nearby, the Novelis can recycling plant at Latchford, which is the largest in Europe. I spoke earlier about the effect of the recession on Bridgnorth, and we have also heard from my hon. Friend the Member for Ynys Môn (Albert Owen) about the closure of the primary smelter at Anglesey Aluminium, and the Rogerstone rolling mill in south Wales closed down last year with the loss of close to 1,000 jobs. Many other smaller companies have also closed, and aluminium prices, which are traded at world prices on the London Metal Exchange, fell greatly, but have recovered somewhat in recent months. As with other metals, most notably steel, demand has also suffered significantly. The Government recognise the importance of aluminium to this country, not just to the economy but to the local communities in which companies are based. That is why we have taken a number of steps to help the industry at this time.

First, it is important that we sustain demand for aluminium in the UK. That is why we have brought forward capital spending on construction, which accounts for about a quarter of the aluminium used in the UK. That policy was opposed by the Conservative party, but I know from my work in connection with the construction industry that it was greatly valued by the industry, and that the public sector work that has been undertaken has sustained the industry in what has been a difficult time. If the demand from the public sector had been taken out of the market, the pressures on the aluminium industry would not have lessened but would have increased greatly and the difficulties would have been worsened. That sustaining of the manufacturing sector by the Government, which was opposed by the Conservatives, has been an important aspect of support for the aluminium sector in the UK.

The Government are investing in infrastructure and in the wider supply chain. We introduced the car scrappage scheme, and we know that the automotive sector is important as a large user of aluminium. Only last week, I visited a Honda plant in Swindon that has been greatly sustained by the scrappage scheme and by the investment and the fiscal stimulus made by the Government to sustain the industry.

The second thing that the Government have done to help the aluminium industry is to fight consistently, and with some success, for it to be compensated for indirect emissions under the EU emissions trading scheme. Thirdly,

[Ian Lucas]

we are doing all we can to secure our energy supply. We heard much about energy from the hon. Gentleman, but I must say that there is a lack of clarity about the Conservative party's policy on energy. For example, I am still unclear about the Conservatives' position on the nuclear development at Wylfa, on Ynys Môn, that my hon. Friend has mentioned. The last I recall of their position is the description of nuclear as a last resort.

Mr. Dunne: I am happy to put the Minister out of his misery. My colleagues with responsibility for energy policy have made it crystal clear that we are supportive of the rebuilding of nuclear plants, particularly on sites that have been closed and that are therefore relatively easy to get through the planning process.

Ian Lucas: I am grateful that, at long last, there appears to be some clarity on this issue from the Conservative party. However, it must accept responsibility for its failures regarding the development and sustaining of the Wylfa plant, which have been described by my hon. Friend.

The private sector is delivering important new infrastructure such as liquefied natural gas facilities, and we are backing a diverse energy mix with new nuclear power stations playing a key role alongside other low-carbon sources such as offshore and, to a limited extent, onshore wind. However, many individual Conservative Members have consistently opposed such developments in their constituencies.

We are also making sure that the market is working properly, by encouraging reform in neighbouring EU markets and further afield. We have been pressing the European Commission to implement energy market liberalisation throughout the EU, and we warmly welcome the robust actions that it has already taken, which have included anti-trust action and infraction proceedings.

Finally, we are helping the aluminium industry through our Real Help programme. We have put forward a range of measures to help businesses survive the recession and come through in stronger shape. Those measures include the enterprise finance guarantee, which has offered almost 7,800 loans to customers with a total value of £795 million.

More than 110,000 companies have benefited from the Business Link health checks, and more than 160,000 companies have gained agreement to defer tax payments worth over £4.6 billion. I know from my own constituency, which is a manufacturing constituency, that that has been greatly welcomed by the manufacturing sector.

We also have the Manufacturing Advisory Service, which offers aluminium companies hands-on practical assistance to improve their businesses, and our Train to Gain programme provides advice and subsidised training in a range of vocational areas.

We know that a lot of activity is going on. We take the state of the aluminium sector very seriously indeed, and the hon. Gentleman asked a specific question about the climate change levy. I know that the industry has already made representations about the levy to him and to my hon. Friend. My right hon. Friend the Minister for Business, Innovation and Skills is meeting the Aluminium Federation later this week, when I am sure that the matter will be discussed further.

I recognise of course that the past 18 months has been an extremely difficult time for the aluminium industry. In particular, the closure of Anglesey Aluminium Metal Ltd was a great blow, not just to Ynys Môn and Wales but to the UK as a whole. The sector is facing real challenges: we need to confront them together, by dealing with demand, looking at energy supply and ensuring that the sector has a sustainable manufacturing base in the UK.

Question put and agreed to.

10.32 pm

House adjourned.

House of Commons

Wednesday 3 February 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

LONDON LOCAL AUTHORITIES BILL [*LORDS*]
(BY ORDER)

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Thursday 25 February.

Oral Answers to Questions

NORTHERN IRELAND

The Secretary of State was asked—

Criminal Justice and Policing (Devolution)

1. **Mr. Eddie McGrady** (South Down) (SDLP): What assessment he has made of the outcomes of the recent talks at Hillsborough between the Northern Ireland political parties; and if he will make a statement. [314136]

3. **Mr. Mark Harper** (Forest of Dean) (Con): What recent progress has been made on the devolution of criminal justice and policing; and if he will make a statement. [314138]

7. **Jeff Ennis** (Barnsley, East and Mexborough) (Lab): What recent progress has been made on the devolution of policing to the Northern Ireland Assembly. [314143]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): The Hillsborough talks established by my right. hon. Friend the Prime Minister and the Taoiseach last week have now continued for eight days. The British and Irish Governments helped to establish a basis and a pathway on which we believed it would be possible for the parties to reach a reasonable agreement. Considerable progress has been made. With good political will, we believe that the parties should soon be able to reach a reasonable agreement.

Mr. McGrady: I thank the Secretary of State for his response. May I place on record the thanks of the people of Northern Ireland to the Prime Minister, the Secretary of State, the Taoiseach and the Minister for Foreign Affairs for the extraordinary patience and diligence that they have applied throughout these talks? Does the Secretary of State share the frustration and anger of the people of Northern Ireland about the lack of real progress in these talks? Could he explain to the House why the Government have abandoned the core agreement principle of inclusivity by excluding 44 per cent. of the electorate from meaningful inter-party dialogue at these talks, and explain the abandonment of proportionality in the allocation of Ministries?

Mr. Woodward: I certainly share the sense of frustration; after eight days and 110 or 120 hours of talks, sleep deprivation might be having its effect, as well.

The Prime Minister and the Taoiseach wanted to ensure that it was possible for the political parties to reach a reasonable agreement. Let us remember that, ultimately, because of the St. Andrews arrangements, the completion of devolution will be decided by a cross-community vote. However, before that, the political parties have been engaging in the past week in talks in an inclusive way. I can only say that, from what I have seen so far of the product of these talks, many of the points that the political parties in Northern Ireland would have wanted to see in such a process are very much under consideration.

Mr. Harper: I am grateful to the Secretary of State for that answer and for clarifying the position for the House. I have been a little concerned in listening to at least one of the parties talking about whether any agreement that was reached among the parties to the talks would have in some way to be put out for public consultation or a vote—it is a bit unspecific. What is the Government's position on that? Do they think that that would be a helpful process or that it would hinder a solution that would be durable and remain for the foreseeable future?

Mr. Woodward: Clearly, whatever agreement is reached by the parties must be durable. It is very important for us all to understand that what is at stake are not simply arrangements for a date for the transfer of policing and justice powers, for which the Government strongly believe that the time is now right: this is the end of a political process that began with the peace process itself. If we succeed with this, we will secure all the achievements of the peace process; if we fail, we will put many of them at risk.

Jeff Ennis: I, too, congratulate my right hon. Friend, the Prime Minister and the Taoiseach, and all the other local and national politicians, on all the efforts that they have made in trying to progress this very important matter. I also congratulate my right hon. Friend on the new unit that he opened this week in Maghaberry prison. On that particular aspect, if the devolution of policing does not go ahead, what might be the implications for the future of the prison-building programme in Northern Ireland?

Mr. Woodward: I thank my hon. Friend for that question. In fact, my right hon. Friend the Minister, who is responsible for security and policing, had the pleasure of opening that unit. He was allowed out of our open prison to go to another one, but I am pleased to report that we brought him back pretty promptly.

We are committed to the provision of new places in prison. In the past two years, we have provided some 300 new prison places, with 120 more to come. The House may wish to note, however, that if no agreement is reached in the next few days, and if therefore we cannot complete devolution, the loss of the £800 million that my right hon. Friend the Prime Minister would make available would almost certainly mean that extra prison places would not happen, that the new women's prison would not happen, and that, indeed, the new Magilligan prison would be unlikely to proceed.

Dr. William McCrea (South Antrim) (DUP): Does not the Secretary of State think that an essential ingredient of the current discussions must be a consensus that can command community confidence? Without that community confidence, no matter what pressure is placed upon me or my colleagues, the Democratic Unionist party will not be buying into any deal. Progress has been made, but more remains to be done, and we certainly agree with including all the other parties in these discussions.

Mr. Woodward: Of course everyone must have confidence, but confidence does not belong to any one community. One of the principles is that an agreement must indeed command support from everyone in Northern Ireland, but we are speaking about something that was understood in the St. Andrews agreement and that people expected would be completed. All the political parties in the Assembly elections understood the importance of completing devolution. The Assembly has been up and running for nearly three years, and that business remains to be done. We believe that the confidence is there, and it is now time to summon leadership and courage and act.

Kate Hoey (Vauxhall) (Lab): Does the Secretary of State agree that it is very important that no party in Northern Ireland is seen to be blackmailing Her Majesty's Government? The actions of Sinn Fein, in threatening to pull down the Assembly if the Prime Minister and the Taoiseach did not go almost straight over to Northern Ireland and spend hours without sleep, would not seem to any reasonable person a sensible way forward. Of course we want the agreement to happen, but that is not necessarily the best way to move forward.

Mr. Woodward: I thank my hon. Friend for those remarks. Let us be clear that the Prime Minister works extremely hard whether he is here in Downing street or in Northern Ireland, which is why I am sure we are all very grateful to him for what he has done. He went to Northern Ireland with the Taoiseach because he has been following the matter very closely over the past few months and judged that the time was right last Monday to go and help facilitate the talks and to build a pathway on which it would be possible to construct a reasonable agreement. That was the critical role that he played in those two days. If we reach agreement, the people of Northern Ireland from every community should be grateful to him and to the Taoiseach.

Sir Patrick Cormack (South Staffordshire) (Con): In thanking the Secretary of State and the Prime Minister for the time and effort that they have spent over the past few days, may I urge the Secretary of State to use whatever extra patience is necessary to ensure that when an agreement is reached, as I hope and trust it will be, it will hold and be supported throughout all the communities in Northern Ireland?

Mr. Woodward: I thank the hon. Gentleman for those remarks, and indeed for his help during those two days when his being in Northern Ireland with the Select Committee on Northern Ireland Affairs coincided with the Prime Minister and the Taoiseach being there. He is absolutely right that patience is required, but equally we must be careful not to try people's patience to distraction. Unfair failure to make progress would not be rewarded—not by any particular process now, but by the people of Northern Ireland. We have changed their lives through the peace process and secured peace in the political process. It is right to make progress, but we now sit on the edge.

Lady Hermon (North Down) (UUP): For those of us who definitely do not want to go back to direct rule and who want devolution and the talks at Hillsborough to succeed, with the principles of tolerance and respect at their core, what more can we in this House do to encourage those in the negotiations to take them forward and make them successful, in the interests of everyone in Northern Ireland?

Mr. Woodward: I thank the hon. Lady for her contribution. She always speaks well on these issues, and indeed she always speaks well on behalf of her constituents. She is absolutely right to talk about the importance of tolerance and respect. It is essential that we also learn to put trust into the process. Every step of the way in the peace process has at times required us to make acts of faith. We need acts of faith and trust now, and whether one is a negotiator or standing outside the process, we all have a responsibility for its success. We would all have a responsibility were it not to succeed, although I hope that that will not happen.

Mr. Alistair Carmichael (Orkney and Shetland) (LD): May I, too, endorse the efforts of the Secretary of State and the Minister of State in recent days in relation to the talks? I endorse also what the Secretary of State says about the importance of trust and faith. Does he believe that he would have been able to engender that trust and faith and perform the role that he has if he had been caught out trying to construct a pan-Unionist alliance?

Mr. Woodward: The hon. Gentleman tempts me with the last part of his question. I will not make any attempt to secure any party advantage, because the politics of Northern Ireland are such that we must put the interests of the people above any party interest. However, I say this to the hon. Gentleman: we all have a responsibility. It is possible to grandstand what is happening in Northern Ireland, and in doing so, to say "It wasn't my fault" if it fails. As I have said before, we are all responsible.

Mr. Owen Paterson (North Shropshire) (Con): Everyone acknowledges the determination of the Secretary of State and his colleagues to see devolution completed, and we fully support his efforts and objectives. For devolution to be durable, it must command community confidence. Will he therefore ensure that both the Ulster Unionists and the Social Democratic and Labour party are fully involved in the negotiations as equal members of the four-party coalition?

Mr. Woodward: I wish to put on record that I believe that that can be done only if there is an unequivocal commitment to succeed by all parties in the House. I am grateful for what I believe is the hon. Gentleman's full support for what we are trying to negotiate, but let us be clear that the process at Hillsborough has been open to all parties. None the less, the agreement must be forged initially between the DUP and Sinn Fein. Let me pay tribute to the leadership offered by both parties. The process has been undertaken in a good spirit and in good faith, but it requires the support of those who may not be able to be involved in the intimate parts of every negotiation. I urge the hon. Gentleman to do all he can with his alliance partner in Northern Ireland to help that party understand that the talks must succeed.

Mr. Paterson: The negotiations have been much more protracted than anyone anticipated. Like the Secretary of State, we want them to succeed, and I again assure him of our continued support. Can he confirm, however, that issues other than criminal justice, policing and parades that have been raised by the parties are being carefully considered as part of the final deal?

Mr. Woodward: These talks are to facilitate an agreement—the agreement must be reached by the political parties. I can confirm that in plenary sessions those issues have been raised and that a reasonable agreement would include a process to address them. However, it is sometimes difficult to address such issues if some Northern Ireland parties are not available for meetings or if they are not as prepared as other parties to meet me or my right hon. Friend the Minister.

Security Situation

2. **Mr. Jeffrey M. Donaldson** (Lagan Valley) (DUP): What his latest assessment is of the level of threat in Northern Ireland from dissident republican groups. [314137]

4. **Mr. Henry Bellingham** (North-West Norfolk) (Con): What his latest assessment is of the security situation in Northern Ireland; and if he will make a statement. [314140]

The Minister of State, Northern Ireland Office (Paul Goggins): The most recent Independent Monitoring Commission report confirmed that the threat from dissident republicans is at its highest for six years. I pay tribute to the work of the Police Service of Northern Ireland and the Security Service in combating and disrupting terrorism in all its forms.

Mr. Donaldson: The Minister will be aware of the latest attempt by dissidents to carry out an attack on the security forces, which happened last night. Thankfully, it was thwarted through co-operation between the PSNI and the police in the Irish Republic. It is that kind of co-operation that will help to defeat those terrorists.

Is the Minister aware of a realignment that is taking place within those dissident republican groups, as a result of which we have seen an increase in the number of attacks and the risks that they pose to the security forces? Will he reassure us that the Chief Constable will be given the resources he needs to combat that serious threat?

Paul Goggins: There was an attack last night on the Old Park barracks, which indeed followed an attack a few days ago at Bessbrook police station. Of course, all such incidents are to be condemned. The IMC noted that there was some tactical co-operation between certain groupings, which of course the PSNI and the Security Service are aware of and are dealing with, but the key thing is that the completion of devolution of policing and justice provides a real opportunity to snuff out those who would oppose the political and peace processes and try to bring disruption. We have a real opportunity to move such people right away from the mainstream of society, who support law and order and want visible policing on their streets to deal with everyday kinds of crime, including antisocial behaviour.

Mr. Bellingham: Does the Minister share my concern about the sheer brutality and nerve of the recent drive-by shootings? Is he satisfied that the human intelligence-gathering capability of the PSNI is as good as it was in the RUC?

Paul Goggins: I have absolute confidence in the capacity of the PSNI and the Security Service to deal with the threat that is posed. It is a severe threat, and we recognise that, but the police and the Security Service have the capability to deal with it. I join the hon. Gentleman in condemning the people who carried out those attacks, and those who carried out the despicable attack on Constable Peadar Heffron a short time ago. I am pleased that because of Constable Heffron's great strength and the support of his family, he has now regained consciousness and is in a stable condition. Their approach to life stands in stark contrast to the despicable behaviour of those who tried to take his life.

Mr. Laurence Robertson (Tewkesbury) (Con): I join the Minister in condemning the attack on Constable Heffron and wish him a rapid and full recovery from his very serious injuries. His is one of a series of attacks, as we have heard this morning, mainly—although not exclusively—on police officers. On behalf of the Opposition, I condemn those attacks without reservation and I ask the Minister again whether he can do anything to help the police to protect their officers from these murderous and cowardly attacks.

Paul Goggins: I can reassure the hon. Gentleman that all police officers in Northern Ireland have received an appropriate briefing on their own security. This year the Government have made available an extra £28 million to deal with the terrorist threat, and more money will follow next year. It is a great tribute to the PSNI, when one looks back at some of the serious attacks in the past year, that two people have been remanded in custody and charged with murder in relation to the attacks at the Massereene barracks, two have been charged with the murder of Constable Stephen Carroll, and two have been charged with attempted murder in relation to an attack planned recently in Garrison against a young police officer. The police service is absolutely up for this and is determined to deal with the threat.

Decommissioning

5. **Miss Julie Kirkbride** (Bromsgrove) (Con): What recent assessment he has made of progress on loyalist decommissioning. [314141]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): At the beginning of January, the Independent International Commission on Decommissioning confirmed a major act of decommissioning by the UDA. We applaud the leadership and courage behind that decision and those responsible.

Miss Kirkbride: The Secretary of State—*[Interruption.]*

Mr. Speaker: Order. These are important and serious matters we are discussing, but on both sides of the Chamber there are far too many private conversations taking place. If people want to have private chats, the answer is simple: leave the Chamber.

Miss Kirkbride: The Secretary of State rightly says that there has been welcome decommissioning by the UDA, but he will also be aware of the worrying number of loyalist dissident assaults, which are up by almost 250 per cent. on the same time last year. What is his Department doing to ensure that the people who orchestrate and authorise such assaults face justice?

Mr. Woodward: First, this is a matter for the Chief Constable. That being said, we are ensuring that the resources are available for him to deal with all those who are engaged in crime. If the agreement that we are trying to work through at Hillsborough succeeds, an additional £800 million will be available to policing and justice in Northern Ireland to help with these things. If the agreement is not reached, that money will not be available and the police will have to suffer the consequences of a failure to reach agreement.

Mr. Lindsay Hoyle (Chorley) (Lab): Along with others, my right hon. Friend has played a major part in the decommissioning talks. They have certainly brought safety to Northern Ireland, but does he believe that there is more to come from decommissioning, and has he any news that he can share with the House today?

Mr. Woodward: Let us reflect on the success of the decommissioning policy. We have seen full decommissioning from the Provisional IRA, the Ulster Volunteer Force and the Ulster Defence Association, and limited decommissioning is reported from the Loyalist Volunteer Force. It has been an extremely successful programme, but I should share with my hon. Friend the fact that next week, on 9 February, it comes to an end—the process will be over—and that will be that on decommissioning.

PSNI (Recruitment)

6. **Mr. Andrew Turner** (Isle of Wight) (Con): What his most recent estimate is of the level of recruitment to the Police Service of Northern Ireland of (a) Catholics and (b) Protestants; and if he will make a statement. [314142]

The Minister of State, Northern Ireland Office (Paul Goggins): Since the introduction of the temporary recruitment provisions in 2001, there have been 3,751 appointments to the PSNI—1,888 Catholic, 1,831 Protestant and 32 not determined. Catholic composition within the PSNI has increased from 8.3 per cent. to 27.68 per cent. We remain on track to reach the target of 30 per cent. Catholic composition by March 2011, and today I am laying before Parliament an order that will renew the temporary provisions for a further final year.

Mr. Turner: What further measures will the Minister take to ensure that the required level of membership will be met from both denominations?

Paul Goggins: It was necessary to introduce the temporary provisions to deal with the historical imbalance in the representation in the PSNI. As I said, in 2001, 8 per cent. were Catholic, but now that figure is 27.68 per cent. As we move forward, however, it is important to ensure that, with confidence in policing shared across all communities, we can expect applications and people of high calibre from all communities and that they will be recruited. Of course we also need strategies to ensure that women apply to join the PSNI, and people from ethnic minorities too.

David Simpson (Upper Bann) (DUP): The Minister will be aware that over the past 12 months a number of PSNI and prison officers and former security force members have had to leave their homes following dissident republican threats. Does he agree that, if that continues, it will be a hindrance to encouraging young people to join the PSNI?

Paul Goggins: It is important, of course, that the Northern Ireland Office stands alongside the PSNI and provides support and protection where appropriate to police officers who may be under a serious and individual threat. However, as my right hon. Friend the Secretary of State said earlier, we all bear a responsibility to ensure that we create an environment in Northern Ireland in which those who seek to carry out the kinds of attack that we have seen are isolated from the mainstream community and stand unsupported and alone, so that they can have no further impact. All of us, including the hon. Gentleman and me, bear a responsibility.

Paramilitary Groups

8. **Mr. Brian Binley** (Northampton, South) (Con): What recent assessment he has made of the level of activity by loyalist paramilitary groups in Northern Ireland; and if he will make a statement. [314144]

The Secretary of State for Northern Ireland (Mr. Shaun Woodward): Although I welcome the positive leadership that has delivered decommissioning in Northern Ireland, some individual members of loyalist paramilitary organisations remain involved in criminality, as reflected in the latest IMC report.

Mr. Binley: In January, youth workers warned that social networking sites were being used by both Catholic and Protestant groups to foment violence. May I ask what steps the Government are taking to ensure that such sites are not so used?

Mr. Woodward: That is primarily a matter for the PSNI, which is looking at how such websites are used. Where there is illegal use of such sites or material, it will pursue the matter. However, I would simply say to the hon. Gentleman that the talks taking place right now in

Northern Ireland will do more than anything to ensure that in the future young people find no interest in such activity. I ask him to urge his hon. Friends to do all they can to help the talks succeed.

Fuel Smuggling

9 **Bill Wiggin** (Leominster) (Con): What recent assessment he has made of the level of fuel smuggling in Northern Ireland. [314145]

The Minister of State, Northern Ireland Office (Paul Goggins): The latest assessment by Her Majesty's Revenue and Customs confirms that the amount of revenue lost through the non-payment of UK duty is reducing. We are not complacent, however, and in the past year HMRC has seized 1.09 million litres of illegal fuel.

Bill Wiggin: In 2002, the Chancellor's Budget targeted fuel smuggling, yet in a written answer on 14 November 2008, column WA150, the noble Lord Myners pointed out that £210 million in diesel revenue had not been collected, and that in 2005-06 it was also £210 million. Given the importance of fuel smuggling to terrorist organisations, why has there patently been no progress whatever since 2002?

Paul Goggins: The most important thing that we need to do is ensure that we find those who smuggle and deal in illegal fuel in Northern Ireland, seize their assets and bring them to justice. Under the remit of the Organised Crime Task Force, the PSNI and other law enforcement agencies are deeply involved with that. Operations now take place week after week to seize equipment and bring people to justice.

Stephen Pound (Ealing, North) (Lab): Further to that question—and indeed, to all the questions that have been asked today—does my right hon. Friend believe that conducting clandestine negotiations exclusively with Unionist politicians in a stately home in England helps or hinders the process?

Mr. Speaker: Order. I was listening intently to the hon. Gentleman. I was hoping that he would refer to fuel smuggling, and he did not.

Paul Goggins: Tempted, as I often am by my hon. Friend, to respond to the question that he asked, there is a serious point, and it is the one that my right hon. Friend the Secretary of State made previously. This is not a moment for party political advantage in this place; it is a moment for the parties of Northern Ireland, with our support, to strive for and find the agreement that can pave the way to permanent peace in Northern Ireland.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [314797] **Mr. David Evennett** (Bexleyheath and Crayford) (Con): If he will list his official engagements for Wednesday 3 February.

The Prime Minister (Mr. Gordon Brown): I am sure that the whole House will wish to join me in paying tribute to the service and sacrifice in Afghanistan of Lance Corporal Graham Shaw and Corporal Liam Riley, both from 3rd Battalion the Yorkshire Regiment, attached to 1st Battalion Coldstream Guards. We think of their families and their loved ones, and we will never forget the sacrifice that they have made and the service that they have given.

This morning I had meetings with ministerial colleagues and others. In addition to my duties in this House, I shall be in contact with the Northern Ireland parties later today.

Mr. Evennett: I add my sympathy and condolences to the families of those brave servicemen who have lost their lives in the service of our country.

All our constituents are rightly concerned about transparency, expenses and cleaning up politics. With that in mind, now that it is clear that there was a £50,000 fund solely for the Prime Minister's use at his headquarters, will he explain why he did not declare this in the Register of Members' Financial Interests?

The Prime Minister: I know nothing about what the hon. Gentleman is talking about.

Q12. [314808] **Jacqui Smith** (Redditch) (Lab): Across the country, police officers and their community partners are working immensely hard to tackle violent crime. Who does my right hon. Friend think they should turn to, to monitor their success: to the Opposition, who have been caught bang to rights issuing dodgy crime statistics, or to the authoritative and independent British crime survey, which suggests that violent crime has fallen by 41 per cent. in the past 10 years?

The Prime Minister: I think that we all have a duty in the debate about law and order to give out all the facts that are relevant. To misrepresent facts that have come from the police and the British crime survey is not to allow us to have a fair debate in this country. The police have said that the use of the figure of 71 per cent. by the Opposition is "extremely misleading", while the BBC home affairs editor has said:

"The story is of falling and then stable violence for over a decade."

I think that there is a duty on everybody to report the facts accurately.

Mr. David Cameron (Witney) (Con): I join the Prime Minister in paying tribute to Corporal Liam Riley and Lance Corporal Graham Shaw, who were killed in Helmand on Monday. They were both very brave men. Everyone should be proud of their service and we should all honour their memory.

Is it not becoming clear from the Chilcot inquiry that the Government in general, and the Prime Minister in particular, made a series of bad decisions that meant that our armed forces were not equipped properly when they were sent into harm's way?

The Prime Minister: I will welcome the opportunity to speak to the Chilcot inquiry, but the right hon. Gentleman must know that defence spending rose every

year, with the fastest rises for 20 years, and that our forces in Iraq and Afghanistan received £14 billion from the contingency reserve to enable the fighting there to take place. Not only did we prepare the Army, Navy and Air Force with proper funding; we also funded every urgent operational requirement that was made. I do not believe that it is in the interests of this House to tell people that they were not properly equipped when funding was provided.

Mr. Cameron: What the Prime Minister has just said is completely at odds with what witness after witness has said to the Chilcot inquiry. Let us listen to what they have said. The former Defence Secretary said that we now have fewer helicopters because of the decisions that the Prime Minister took as Chancellor. The former Chief of the Defence Staff, General Walker, said that

"money ...was taken out of the helicopter budget".

Soldier after soldier has complained about the lack of body armour, vehicles and equipment, and we now know that the service chiefs threatened to resign en masse. Is it not time that the Prime Minister admitted to the mistakes that he made when he was Chancellor?

The Prime Minister: First, the Conservatives do not even know what their policy is for 2010 on spending on anything. Secondly, I have always taken seriously the need properly to fund our defence forces. In the 2002 spending review, which is the subject of discussion here, the defence estimate was the best for 20 years. The Defence Secretary at the time said it was an excellent settlement that allowed us to modernise the forces. In 2004, the defence management board made its own decisions. Let me remind the right hon. Gentleman that he stood on a platform at the last election to cut defence spending by £1.5 billion.

Mr. Cameron: As ever, this Prime Minister is in complete denial of the facts. He just said that he always took defence seriously. Another former Chief of the Defence Staff, General Guthrie, said that this Prime Minister

"was the most unsympathetic Chancellor of the Exchequer, as far as defence was concerned".—[*Official Report, House of Lords*, 22 November 2007; Vol. 696, c. 961.]

Just today, in front of the Chilcot inquiry, the former permanent secretary at the Ministry of Defence, Kevin Tebbit, said that while troops were in Iraq, and while that man was Chancellor of the Exchequer, his budget was subject to "arbitrary" cuts and a "guillotine." He said that he

"was running...a crisis budget rather than one with sufficient resources".

Is not the evidence mounting that the Prime Minister ignored the welfare of our armed forces right up until the moment it became politically convenient to do otherwise?

The Prime Minister: I repeat: the Conservative party went into the last election wanting to cut defence expenditure by £1.5 billion. We continued to increase the defence budget every year and we made every urgent operational requirement that was necessary for Her Majesty's forces in Iraq and Afghanistan. That has included £14 billion of extra expenditure from the reserve. Expenditure on Afghanistan was £600 million a few years ago. It will be £3.5 billion this year. Defence expenditure is rising this year, as it is rising in the next financial year. The right hon. Gentleman cannot portray a picture of defence cuts when defence expenditure has been rising. The only Government who cut defence expenditure recently were the last Conservative Government, who cut it by nearly 30 per cent.

Mr. Speaker: I call Jamie Reed. *[Interruption.]* Order. I am sure Government Back Benchers want to hear Mr. Reed.

Q14. [314810] **Mr. Jamie Reed** (Copeland) (Lab): It is true. Thank you, Mr. Speaker.

My right hon. Friend the Prime Minister will be aware that he is the only leader of any political party to support nuclear new build in this country. What certainty can he give my constituents, businesses and the supply chain in my constituency that we will make the necessary changes to the planning system to enable them to invest with confidence and certainty?

The Prime Minister: I hope that there is all-party support for the nuclear expenditure that is necessary to give us security in our power. It is 8 minutes past 12 and I understand that the current Conservative party policy is that nuclear power is a last resort. That is not the basis on which one can plan for the future. The Conservatives can change their policies every day. We will remain consistent in support for the energy needs of our country.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I would like to add my own expressions of sympathy and condolence to the families and friends of Corporal Liam Riley and Lance Corporal Graham Shaw from 3rd Battalion the Yorkshire Regiment, who tragically lost their lives serving so bravely in Afghanistan this week.

I would like to return to the issue of defence spending. The Government are about to make a statement on the future defence needs of this country, yet the Prime Minister has already excluded the Trident nuclear missile system from the strategic defence review. How can that review be taken seriously if the most expensive weapons system that we have is to be excluded from it?

The Prime Minister: One can either take a unilateralist or a multilateralist attitude to defence. We take a multilateralist attitude that we are prepared to work with other countries for nuclear disarmament. We do so on the basis of being prepared to discuss the future of Trident as part of multilateral talks. We are prepared to look at and discuss the scientific evidence for reducing the number of submarines from four to three. The defence review paper will state all these things. I hope that the right hon. Gentleman will agree that in a very unsafe and insecure world where countries are acquiring nuclear weapons, breaching the non-proliferation treaty, it is better for us to be part of multilateral discussions to reduce nuclear weapons around the world.

Mr. Clegg: Look at what we have: we have troops in battle without proper equipment and guillotined defence budgets in a world that has changed out of all recognition since the cold war, yet the Prime Minister and the Leader of the Opposition want to spend billions of

pounds of taxpayers' money replacing and renewing a nuclear missile system designed to flatten Moscow at the touch of a button. How are we to face the threats the country faces if Government thinking is so stuck in the past?

The Prime Minister: I give the right hon. Gentleman credit for being consistent in his policies—something that I cannot say about the Opposition. It is important for us to maintain the resources we are spending in Afghanistan and it is important to understand in our strategic defence review that we are dealing with the problem of global terrorism, which is quite different from what we have experienced before. I assure the right hon. Gentleman that we will look carefully at all the uses of equipment for the future. It is important to recognise that we want to be part of multilateral discussions for the future.

I add that it is not fair to our troops in Afghanistan to give the impression that they are not properly equipped for the job they are doing. We have spent £3.5 billion from the reserve this year and it will be even more next year. The average expenditure per member of our forces is nearly £0.5 million to ensure that they are properly equipped. More helicopters have gone into Afghanistan over the last few months, as have more vehicles. Special attention is being given to counter-terrorism and dealing with the threat of improvised explosive devices. It is completely wrong to say that our troops are not properly equipped. We are proud of them; they are professional; and they are properly equipped for the job they are doing.

Q2. [314798] **Mark Lazarowicz** (Edinburgh, North and Leith) (Lab/Co-op): Before Christmas, the Government confirmed in the pre-Budget review that funding for front-line schools, hospitals and police would be protected and increased in real terms. Neither the Tory Opposition here nor the SNP Government in Scotland have given a similar pledge. Meanwhile, in my constituency, schools are facing savage budget cuts at the hands of a Lib Dem-led council. Does this not show that only Labour can be trusted to protect front-line services?

The Prime Minister: The Scottish Administration have had a record increase in public expenditure as a result of the previous public expenditure review. It is sad that they have not made a priority of education for the young people of Scotland. They will pay a price for that failure at the ballot box. Some of the cuts having to be announced by the Scottish Administration are the result of the wrong and misleading decisions that they have made.

Mr. David Cameron (Witney) (Con): Thirteen years into government and 90 days before a general election, can the Prime Minister tell us what first attracted him to changing the voting system?

The Prime Minister: No one on the Opposition Benches seems to understand that the politics of the last year has changed for ever the way the public view the House of Commons and our parliamentary institutions or that the status quo cannot last and has to be changed. If the Conservatives want to defend the hereditary principle in the House of Lords, if they want to postpone reform of the House of Lords for more than 10 years and if they want to refuse the people a referendum on the alternative vote, they are making a mistake about what the British people are thinking. My message today is to the British people: we are prepared to change our constitution—and to change it for the better. We are for the alternative vote; the Opposition are for the hereditary vote.

Mr. Cameron: It is back to the bunker time with that line. I do not know whether the Prime Minister pulled the secretary out of the chair before he typed that one, but it was a lot of old rubbish. The Prime Minister talks about the hereditary principle, but there is only one leader in this House who inherited his title. What a lot of rubbish! *[Interruption.]* It is good of the Chancellor to have a laugh.

The reason why the Prime Minister is in favour of the alternative vote is that it is election time. This is the man who ducked the leadership election and bottled the general election, and now he is trying to fiddle with the electoral system. He must think that the whole country is stupid. Have another go! Why are you doing it?

The Prime Minister: This is the man who, at Christmas, promised us a policy-a-day blitz to show us the substance of the Conservative party if it were in government. We have had confusion over the married couples allowance, we have had chaos over public spending, we have had exaggerations about crime, and we have had the Conservatives retreating on the hereditary principle and now supporting it for the House of Lords. This is a Conservative party that is in a complete muddle and has no manifesto. The Conservatives do not have the substance to be able to govern the country. They are a shambles.

Mr. Cameron: Why do we not go over some of the history? The last Liberal leader who got suckered into this was, of course, Paddy Ashdown. He wrote this in his diary about Tony Blair:

"Time after time after time, he'd say 'Yeah Paddy, I agree, but I can't get it past Gordon.'"

He went on to say:

"Gordon was the "primary block."

Does not real improvement mean cutting the size of the House of Commons, cutting Ministers' pay, and complete transparency on expenses, but is not the one thing that we should not change the ability, at a general election in Britain, to get rid of a tired, incompetent, useless and divided Government?

The Prime Minister: There would be no change under the Conservatives—no change at all. The right hon. Gentleman is supporting the hereditary principle in the House of Lords. He is supporting the—*[Interruption.]*

Mr. Speaker: Order. I apologise for interrupting the Prime Minister, but we must have some quiet. I want to hear the answer, and I hope that others want to hear the answer as well.

The Prime Minister: The right hon. Gentleman's answer is about no change. It is the politics of no change at all. He supports the hereditary principle in the House of Lords. He supports no reform of the House of Lords

for a decade. He supports no referendum to allow the electorate to have a chance. This is a party that has fundamentally not changed at all. The Conservatives are the same as they always were. We will vote for the alternative vote; they are still voting for the hereditary vote.

Sir Stuart Bell (Middlesbrough) (Lab): In the context of the Prime Minister's response to the parliamentary institution, is he aware that tomorrow Sir Thomas Legg will publish his full review of MPs' allowances? Building on the creation of the Independent Parliamentary Standards Authority and the Kelly recommendations—all of them the initiatives of the Prime Minister—can we put the sad and sorry saga of MPs' expenses behind us, and rebuild this institution called the House of Commons?

The Prime Minister: My hon. Friend is absolutely right. We must reform the system of expenses, and we must follow through with the Kelly and, now, the Kennedy reforms under IPSA. But I have to tell the House that we must do more than that. If I have a message for the whole country it is that it is not enough simply to change the expenses system; we must change the way in which we govern ourselves in this House of Commons and in the House of Lords.

I come back to the essential questions. If the Conservatives are not prepared to face up to major change in the constitution, the public will see that the Conservative party has not changed one bit.

Q3. [314799] **Mr. Edward Garnier** (Harborough) (Con): If what the Prime Minister told us a moment ago about defence spending was correct, why on earth did defence chiefs threaten to resign because of his proposed defence cuts, as General Walker told Chilcot this week?

The Prime Minister: I have to report to the House that defence spending was rising every year during that period. It was rising in real terms, and no one has doubted that every aspect of Iraq and Afghanistan was funded. I repeat that it was the Conservative party that went into the last election wanting to cut defence expenditure.

Mr. Robert Flello (Stoke-on-Trent, South) (Lab): I am sure that Members throughout the House will applaud the care and support given by the Royal British Legion to those who are serving and have served in our armed forces. The Royal British Legion is asking Members of Parliament and those wishing to be elected to the House to do our bit and keep the faith with our brave heroes. May I invite my right hon. Friend to sign the Royal British Legion pledge in support of our armed forces family?

The Prime Minister: I would be delighted to, and the Defence Secretary has already done so. I pay tribute to the outstanding work of the Royal British Legion and welcome its continued support to our armed forces and veterans. The Government support our service personnel and their families, and our services Command Paper was an attempt to show how we do so right across the services. The Green Paper published today by the Secretary of State for Defence reiterates our commitment to doing this.

Q4. [314800] **John Hemming** (Birmingham, Yardley) (LD): At the weekend, National Express Group cancelled without consultation the No. 41 bus in Birmingham, causing major problems to people in the city. This is symptomatic of a national problem. When will the rest of the country be allowed to use the same system for bus management as is used in London?

The Prime Minister: I am sure I should call an emergency Cabinet meeting to look into the situation involving the No. 41 bus. I shall look into what the hon. Gentleman has said, and write to him.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): Does the Prime Minister agree that anyone who wishes to be taken seriously on defence has got to be prepared to commit, unequivocally and without reservations, to the aircraft carriers? Does he also agree that there is a party difference here, in that the aircraft carriers and the Royal Navy are safe with Labour, but they would be sunk with the Conservatives?

The Prime Minister: There is no stronger defender of the case for the aircraft carriers than the Member for the constituency in which some of them are to be built. We are committed to the aircraft carriers. The future policy of the Navy is being organised around them, and I hope all parties will support the aircraft carriers.

Q5. [314801] **Mr. John Hayes** (South Holland and The Deepings) (Con): All Governments make mistakes, and all Prime Ministers have regrets. Which of the following does the Prime Minister regret most: (a) the collapse in adult learning, with 1.4 million places lost; (b) the fact that the latest figures show that fewer young people are starting apprenticeships; or (c) the growing gulf between the number of university applications and the number of places? For the brevity you seek, Mr. Speaker, as well as for clarity for the House and the convenience of the Prime Minister, perhaps he can restrict his answer to saying just (a), (b) or (c).

The Prime Minister: What I regret most is the Conservatives' failure to support us as we were trying to take this country through recession with more apprenticeships, more people going to university and college, and every school leaver guaranteed the chance of a job or training. All these things were resisted by the Conservative party.

Mr. David S. Borrow (South Ribble) (Lab): Does my right hon. Friend agree that investing in apprenticeships is an important way of investing in recovery? Does he therefore share my despair at the action of Tory South Ribble borough council in abandoning its apprenticeships scheme, and will he urge it to reconsider that and thereby show for once that the Tories are interested in young people and their futures?

The Prime Minister: It is difficult to know what the Tory party policy is on anything at the moment, and such is the lack of clarity that certainly for 2010 I could not guarantee that any apprenticeships that my hon. Friend wishes to support would be supported by the Tory party. We have trebled the number of apprenticeships; there are 250,000 of them now. We want to give every young person the chance to get an apprenticeship, if

they have the qualifications to do so. Throughout the recession, we have been trying to maintain apprenticeships so that young people have the qualifications for the jobs of the future. There is only one party opposing that and opposing the expenditure on education, training and employment, and that is the Conservative party.

Q6. [314802] **Mr. Crispin Blunt** (Reigate) (Con): All those involved in the 1998 defence review know that the Prime Minister's only interest was to get a £1 billion cut from the Conservative expenditure plans, which was reduced to £500 million a year only by the intervention of the Chief of the Defence Staff. Why is it that the Prime Minister is inviting us to believe that all the distinguished servicemen and civil servants who have given evidence to Chilcot on the chaos surrounding the financing and provision of equipment in the run-up to Iraq are wrong, and he is right?

The Prime Minister: The figures show that defence expenditure was rising every year in real terms, and that they were the biggest rises for 20 years. The figures also show that every single urgent operational requirement that the Ministry of Defence asked of us for Iraq and Afghanistan has been met. I am afraid it is the Opposition who are having difficulty with figures at the moment.

Clive Efford (Eltham) (Lab): My right hon. Friend has come under severe attack for not cutting the deficit fast enough or hard enough, but those who made those calls in this House seem to agree with him now. Does he think that that is what is meant by the statement that it is "a year for change" on the airbrushed Conservative poster?

The Prime Minister: It is a year for the Conservatives changing their mind every week about every single policy that they put forward. Two weeks ago, the Leader of the Opposition said that it would be "moral cowardice" not to tear up the Budget for 2010. The shadow Business Secretary then said that there would be "calamitous consequences" if that were to happen. Now the shadow Chief Secretary to the Treasury is boasting that he does "not have a detailed plan".

In other words, not only do the people not know where the Conservative party stands, but the Conservative party does not know where it stands.

Q7. [314803] **Lembit Öpik** (Montgomeryshire) (LD): Thanks to the assistance of Finance Wales, the staff of the Secretary of State for Business, Innovation and Skills and the Royal Bank of Scotland, we have secured up to 100 new jobs at Regal Fayre in Montgomery. However, those are more than outweighed by 180 potential redundancies in Shop Direct's Newtown call centre. Could the Prime Minister arrange a meeting with the relevant Minister, once I have met Shop Direct's senior management tomorrow morning, to discuss this possible closure, which could cause a localised new recession in Montgomeryshire?

The Prime Minister: I understand the concern when any jobs are lost; it is a personal tragedy for those people who have, in many cases, given their lives to one company, which is unable to continue to employ them. I shall arrange for these meetings that the hon. Gentleman asks for to take place. I can assure him that every teenager who has been unemployed for six months now has the guarantee that they will get work or training, and that the services available to those who are unemployed are better than they have ever been. The result of that is that 300,000 people are leaving the unemployment register every month, and that employment is at a higher level and unemployment a lower level than people expected months ago.

Andrew Miller (Ellesmere Port and Neston) (Lab): Even though the claimant count is 48 per cent. down in my constituency, it is nevertheless a great disappointment to hear of Bowater going into administration. Will my right hon. Friend do what he can to ensure that the parent company's actions are investigated—it seems to be playing fast and loose with the British work force—and that the work force affected and the supply chain are given every possible support?

The Prime Minister: I know that the regional development agency stands ready to help my hon. Friend's constituents and the company that is in difficulty. This is clearly a difficult time for the work force. The administrators have said that in this case they will keep the business trading while they explore all options, which include looking for a buyer for the business. I can assure him that all the local agencies, including the rapid response teams at the jobcentre, will be available to help those workers in his constituency who are affected.

Q8. [314804] **Sir Paul Beresford** (Mole Valley) (Con): I am sure that the Prime Minister is aware that in percentage terms the population of the United Kingdom and Ireland is the greatest reservoir of the prion that causes the fatal and incurable human brain disease vCJD. One of the means of transmission is blood transfusion. Last October, the Government's scientific committee that is examining this issue recommended the use of a filter for blood for transfusion for children initially. When are the Government going to react to that recommendation?

The Prime Minister: The hon. Gentleman raises a very serious matter in great detail. That recommendation is obviously very important for the future of the blood transfusion service. I shall look at it very carefully and get back to him.

Q9. [314805] **Tony Lloyd** (Manchester, Central) (Lab): Can the Prime Minister confirm that inheritance tax cuts of £200,000 for the richest 3,000 families could be achieved only at the expense of spending on schools and hospitals throughout the nation? If he rejects that policy, can he guarantee that there will be no Cameronian wobble on this side of the House?

The Prime Minister: The one thing that the Conservatives have stuck to through this month of muddle and division is their policy on inheritance tax. Like their policy on hereditary peers, it will give the richest people in our society the greatest amount of additional wealth. That could be at the expense of schools, it could be at the expense of the health service and it could also be at the expense of defence. I think people should know that the Conservative party's first priority, above all others, is to reduce inheritance tax for those who are perfectly able to take care of themselves. We are for the many, they are for the few.

Q10. [314806] **Mr. Graham Stuart** (Beverley and Holderness) (Con): Health funding is skewed towards younger, urban, Labour-voting areas, rather than towards older, rural areas such as my constituency. That is why Hull receives more than £1,800 per head whereas East Riding receives just £1,200 per head. The Prime Minister knows that age, not deprivation, is the key driver of health need, so why does he put the electoral interests of the Labour party ahead of the needs of the sick?

The Prime Minister: I have to say to the hon. Gentleman that the evidence is that in his region there are 12 new hospitals and 37,000 more NHS staff. We have doubled expenditure on the national health service so that everyone in our country will benefit and we are giving personal guarantees to every citizen of this country that they will receive cancer treatment within two weeks, that they will be in a position to get an operation within 18 weeks, that they will get regular check-ups and, at the same time, that they will be able to see a doctor at weekends or in the evening. The party that has resisted giving rights to every citizen is the Conservative party.

Q11. [314807] **Mr. Brian Jenkins** (Tamworth) (Lab): My right hon. Friend is only too aware that we have, regrettably, too many war widows, to whom this country owes a great deal. Will he promise, in any Administration that he runs, to stop any suggestion to make those people relatively worse off, via the tax system, because they are not married?

The Prime Minister: There should be no discrimination against widows and no discrimination against those who have been abandoned by their partners. That is why we have a system of individual taxation and special allowances for widows. I would hesitate to say that the proposal for a married couple's or married man's allowance would be fair to widows or to people who had been abandoned by their partners.

Q13. [314809] **Mr. Mark Prisk** (Hertford and Stortford) (Con): Last year, Lord Mandelson launched a £1 billion strategic investment fund. It was designed to help industries across the country. I know that the Prime Minister struggled when asked about £50,000 earlier, but let me try him with this number: why is it that 90 per cent. of that fund does not help industry across the country but has been given to Labour constituencies?

The Prime Minister: The purpose of all our measures in the recession is to help industry and business out of recession. Some 300,000 businesses have been helped in all constituencies across the country. The difference between us is that the Conservatives opposed all our measures and we took the action to get us out of recession. We are taking action to keep us out of recession, while the Conservatives do not have a clue what they would do in 2010.

Dr. Alan Whitehead (Southampton, Test) (Lab): Does the Prime Minister welcome the proposals announced last week for licensing and planning concerning houses in multiple occupation? Will he urge local authorities with a high concentration of HMOs, such as Southampton, to make early use of the powers that they will gain?

The Prime Minister: I know my hon. Friend has taken this issue up on many occasions and that it is an important issue when dealing with cities such as Southampton, where there are houses in multiple occupation. I can assure him that we will be urging councils such as those in his area to take up these proposals with speed.

Strategic Defence Review (Green Paper)

12.32 pm

The Secretary of State for Defence (Mr. Bob Ainsworth): Today I am publishing a defence Green Paper that paves the way for a strategic defence review, set in the context of the national security strategy, early in the next Parliament. At the present time, Afghanistan is the main effort for the Ministry of Defence. Where choices have to be made, Afghanistan will continue to be given priority. Our forces there are fighting hard, protecting our national security by preventing Afghanistan from once again becoming a safe haven for terrorists.

Two hundred and fifty three British service personnel have been killed in Afghanistan since 2001. Many more have suffered life-changing injuries. Their bravery in the face of a ruthless enemy has been a stark reminder to us that all conflict is difficult and dangerous. We certainly cannot assume that the conflicts of tomorrow will replicate those of today, but we must anticipate a wide range of threats and plan for the requirements necessary to counter them.

We have come a long way since the last major defence review in 1998, which gave us the platform to modernise our armed forces. Looking forward, we will need to make decisions about the role that we want the United Kingdom to play in the world and about the capabilities that our armed forces need to support that role. We will need to balance those considerations against financial implications in what will inevitably be a resource-constrained environment. The Green Paper does not attempt to answer those fundamental questions. Instead, it is intended to set out our emerging thinking on the future security environment and on other key issues facing defence ahead of the review.

Although there is no external direct threat to the territorial integrity of the UK, there are a wide range of emerging threats for which we must be prepared. We can work to diminish the threat of international terrorism and to counter the proliferation of chemical, biological and nuclear weapons; we can work to prevent emerging threats—for example, by improving our approach to cybersecurity—and to contain and resolve the threat from failing states; and we can work to ensure that the impacts of climate change and resource competition are managed peacefully, but my judgment is that conflict and instability in this new age will be an ever-present risk. In the face of those threats, no nation can hope to protect all aspects of national security by acting alone. We cannot simply defend from the goal line, and our defence posture must reflect that.

In the coming decades, our armed forces must be prepared, if called upon to do so, to protect our interests, often in distant places and, most likely, as part of a coalition of international forces. The Green Paper therefore reaches two key conclusions. First, that defence must accelerate the process of reform and be able to change swiftly to address new and unforeseen challenges as they emerge. We need to be more adaptable in how we structure, equip, train and generate our armed forces. We need a more agile defence organisation, and we need more responsive strategic planning. Today, I am proposing that we should legislate for regular defence reviews to ensure that the armed forces continue to adapt rapidly to changing trends and threats.

The second conclusion is that defence must improve its ability to work in partnership with our key allies and security institutions to make the most of our combined resources. Our alliances and partnerships will become increasingly important and will define how successful we will be in meeting the challenges that we face. We will strengthen our alliance with the United States if we strengthen our position in Europe. We will continue to press our European allies to contribute more to our collective defence effort, but, make no mistake, this is not about Europe taking precedence over the US, or vice versa—the two are mutually reinforcing relationships.

In the UK, we need to improve further our partnerships with key Whitehall Departments and others to ensure that the contribution of our armed forces is joined up with our diplomatic and development efforts. In addition to its conclusions on adaptability and partnership, the paper poses six key strategic questions that the review will need to address. They are as follows. Where should we set the balance between focusing on our territory and region and on engaging threats at distance? How far are future conflicts likely to share the characteristics of our engagement in Afghanistan, and what approach should we therefore take if we employ armed force to address threats at distance? What contribution should our armed forces make to ensuring security and contributing to resilience within the UK? How could we more effectively employ armed force in support of wider efforts to prevent conflict and to strengthen international stability? Do our current international defence and security relationships require rebalancing in the longer term? Should we further integrate our forces with those of our key allies and partners?

Although the defence budget has grown by over 10 per cent. in real terms since 1998—and not a penny will be cut from next year's budget—the forward defence programme faces real financial pressure. We will need to rebalance what we do in order to meet our priorities. In December, I began that process. I made a series of decisions to ensure that we found extra resources for vital equipment for Afghanistan. This included 22 new Chinook helicopters, which will provide necessary strategic lift capability for Afghanistan and for other military operations in the years ahead. However, our commitment to reducing the deficit resulting from the global financial crisis means that future resources across government will be constrained.

The report of Bernard Gray into defence acquisition set out clearly the pressures facing the defence budget. It also set out the importance of improving our procurement processes and addressing the shortfalls in our acquisition systems. The strategy for acquisition reform published alongside today's Green Paper sets out how we will tackle the challenges facing this major area of defence expenditure. The major reform that it proposes will deliver enduring change by introducing greater transparency. It will ensure that our equipment plans are efficient, strategically focused, affordable and achievable.

But it is not just in equipment acquisition that we will need to do better. We are aiming to deliver efficiency savings of more than £3 billion over the current spending review period. We have a strong programme of work to achieve this, including an independent review into the use of civilians in defence that is being led by Gerry Grimstone.

[Mr. Bob Ainsworth]

Our biggest capability is our people. We rely on the ability of people, both military and civilian, to deliver defence. We need to attract the best people—people who are highly motivated and highly skilled. Our people have already shown their capacity to adapt to new challenges. We must continue to ensure that the structures and training that support them are fit for purpose, and that includes continuing to strengthen joint approaches across the services.

There has been a great deal of interest in, and speculation about, whether any major capabilities will be confirmed in the Green Paper, but that is to misunderstand the purpose. I can say that we do not plan to revisit the conclusions of the 2006 White Paper on the nuclear deterrent. We have committed to a wide range of major capability improvements over the past few years including, most recently, signing contracts for two new aircraft carriers. [HON. MEMBERS: "Hear, hear!"] Only two.

Recent operations in Iraq and Afghanistan have demonstrated the importance of being able to deploy and sustain significant numbers of highly trained and equipped troops in a variety of roles, including providing the aviation and air support that they need. Unless the defence review takes a very radical new direction, it is the Government's position that those capabilities are likely to remain critical elements of our force structure. However, we need to know first what roles and missions we will expect our forces to undertake in the future before we can take final decisions about the capabilities that they will need. These will be key issues for the defence review.

Let us be clear—change is needed, and there will be some tough and important decisions ahead. In my view, we must, as far possible, put aside our special interests, in politics, industry and the services, to take rational decisions that benefit defence and the security of our nation.

In preparing the Green Paper, I consulted widely with academia, across government and with the main Opposition parties, and I am grateful for the help that I received. I would like to thank in this House the right hon. and learned Member for North-East Fife (Sir Menzies Campbell) and the hon. Member for Mid-Sussex (Mr. Soames), and Lord Robertson of Port Ellen in the other place, all of whom sat on my Defence Advisory Forum. Where the defence of the nation is concerned, we must seek as far as possible to reach consensus on the main issues.

I hope that the Green Paper that I am publishing today helps that process and leads to a mature and well-informed debate about the future structure of our armed forces.

Dr. Liam Fox (Woodspring) (Con): I thank the Secretary of State for his statement and for prior sight of it, although we seem to be the last to have seen the Green Paper, since every journalist I have met this week has been telling me about its contents. The Secretary of State deserves genuine praise for his attempts to find a cross-party consensus. When the history of this dreadful Government is written, his will be one of the more honourable mentions.

I thank my hon. Friend the Member for Mid-Sussex (Mr. Soames) for the effort that he put into producing a balanced and open-minded Green Paper. I know that his experience in the Ministry of Defence was very much appreciated in the process.

The Green Paper indicates that the Ministry of Defence is coming out of denial, but that the Prime Minister is not. We are used to the Prime Minister briefing against his perceived enemies in the corridors of Westminster, but not normally undermining a Secretary of State on the front page of *The Times*. How far away from the No. 10 briefing this week is paragraph 9 on page 9 of the Green Paper, which states:

> "We cannot proceed with all the activities and programmes we currently aspire to, while simultaneously supporting our current operations and investing in the new capabilities we need. We will need to make tough decisions"?

Of course, this week we have seen the truth of the current Prime Minister's approach to defence. The former Defence Secretary, the right hon. Member for Ashfield (Mr. Hoon) has said that there was a strong feeling that the last defence review was not fully funded. The former Chief of the Defence Staff, Lord Walker, told us that the defence chiefs threatened to resign as a result of the savage cuts that the then Chancellor tried to apply to defence in the middle of two wars. Today the former permanent secretary, Sir Kevin Tebbit, talked about having to operate a permanent crisis budget.

The Defence Secretary introduced defence cuts in December, but the Prime Minister this week was talking about increasing the defence budget. In his statement the Secretary of State said, "There has been a great deal of interest in, and speculation about, whether any major capabilities will be confirmed in the Green Paper". We all know why. It is because No. 10 has been briefing all week that any project that has any job implications for the Prime Minister's constituency will be spared in any defence review. That is taking a core strategy way too far.

There are some things on which we are clearly agreed. We know from bitter historical experience the difficulty of predicting future conflict—either its nature or its location. We cannot base our future security on the assumption that future wars will be like the current ones. That is why we must maintain generic capability and be able to adapt to any changing threats.

There is no doubt that in Afghanistan we have been too slow to give the Army, in particular, the agility and flexibility that it needs to maximise its effectiveness. But we must also remember that we are a maritime nation dependent on the sea lanes for 92 per cent. of our trade. A time when the threat of disruption is increasing is no time for Britain to become sea blind.

We agree that France and the United States are likely to be our main strategic partners. For us there are two tests: do they invest in defence, and do they fight? Sadly, too few European allies pass both these tests.

The Secretary of State talked about a 10 per cent. increase in the defence budget in real terms. He also talks in the Green Paper about the higher level of defence inflation. Can he tell us how much of the increase in the defence budget has gone into pay, allowances and pensions, and what proportion of the increase has been available for equipment and other programmes over the period that he outlined? Can he confirm that the Department's budget for next year will be £36.89 billion,

as previously set out? He says that not a penny will be cut, notably from next year's budget. What cuts do the Govt envisage after that?

Unlike the Opposition and the House of Commons, the Government have access to all the costs of the contracts and all the penalty clauses for the major programmes. Why will the Government not give honest answers about the implications of the cost overruns in the years ahead? We know that there has been serial mismanagement at the MOD, with the equipment programme being somewhere between £6 billion and £35 billion above what can currently be afforded. How will it be reconciled?

After 12 years of indecision, we finally get a Green Paper weeks before a general election, and, despite all its good words and all the good intentions of the Secretary of State, the future defence budget of the United Kingdom will have to be determined against the backdrop of Government debt of £799 billion, which is the equivalent of having borrowed £1.1 million every day since the birth of Christ. That our nation's security should be compromised in this way by Labour's historic economic incompetence is truly a national tragedy.

Mr. Ainsworth: I thank the hon. Gentleman for his kind comments—despite his motives in making them. Can I just point out one thing to him? He claimed that I made defence cuts in December, yet in the same response he said that we were a little late in providing the wherewithal for the Army in Afghanistan. We did not make defence cuts in December; we prioritised, over three years, £900 million of the core defence budget for equipment that was needed for the Afghan conflict. We are doing that, but he criticises us for not doing it, and then he claims that those measures were cuts when, in fact, they were reprioritisations. They were reprioritisations within a budget that never fell. I do not know whether the hon. Gentleman is prepared to admit or accept that. The budget never fell; I moved money within the budget. It was right to do so, and I make no apology for that, but one thing that I say in the Green Paper—and I think I say it with the genuine support of many people who know about these matters—is that our planning structures will have to be more adaptable. We cannot have planning assumptions that effectively prevent us from moving money within the budget when there are pressing needs; we have to have a structure that supports the adaptability of our armed forces. That must be the overwhelming priority.

The hon. Gentleman talked about the problems with the equipment programme, but I remind him that it was this Government who commissioned the Gray report. We did so to get to the bottom of problems that do exist but, when judged against international comparators, are no worse than hardly any and, indeed, better than many. But, those problems need to be addressed, and there are inefficiencies. We commissioned the Gray report, and I hope that, when the hon. Gentleman has the time to study it properly, he will see that there is a real way—albeit an uncomfortable one for future Ministers—of ensuring that we have a defence procurement methodology that prevents the overruns that we have had. Transparency will be the main tool for doing that, but regular defence reviews, enshrined in legislation, will help as well.

Nick Harvey (North Devon) (LD): I thank the Defence Secretary for his statement and for the Green Paper, which is a well-judged attempt to frame the questions that the strategic defence review must answer. However, that agenda is unbalanced by the omission of one item: the replacement of Trident. A few minutes ago, the Prime Minister responded to a question about it by looking at the issue from a strategic security point of view, and I agree that that is the starting point, but surely the scale and the timing of any replacement of the Trident deterrent has profound opportunity cost implications for the entirety of the rest of the defence budget. A strategic defence review cannot be genuinely comprehensive if the biggest single strategic and spending decision is parked outwith its framework.

The statement rightly identified that the strategic defence review needs first to ask: what role does Britain want to play in global security? I agree with the Defence Secretary that it would not be appropriate for us to "defend from the goal-line", and that we should be prepared to go to distant places in our national interests, but are we going to learn from our mistakes? In particular, the 1998 assumption that we would be quick in and quick out of some engagements has not turned out to be correct. Should we not also learn the lesson that invading Iraq without the support of many of our usual allies and with dubious legal cover made the operation a great deal more difficult to prosecute thereafter?

I strongly welcome the Defence Secretary's remarks about a greater importance for co-operation within Europe on defence matters. The Americans' strategic interests and financial resources mean that in the next few decades they will not be able to make the contribution to European defence that they have made in previous decades. It is absolutely right that the Americans remain our key strategic ally, but we can contribute more to that relationship if we better harness the efforts of Europe in its own cause.

An interesting observation in the statement was the restatement of the 1998 assumption that there is no external direct threat to the United Kingdom. The Defence Secretary went on to talk about accelerating reform and the need to be more adaptable. I entirely agree, but I urge him to be bolder and to go further not only with reform, but with making ourselves agile enough to face emerging threats. We still have troops in Germany who seem to be prepared for the unlikely eventuality of the Soviets arriving with their tanks. There is a great deal more work to be done, but I welcome the direction that the Defence Secretary has pointed out.

Finally, we still have troops in Afghanistan, and we will have for many years yet. We know that there is pressure on the defence budget, but surely we all agree that ensuring that those troops continue to have everything they need is the top priority that cannot be sacrificed to anything else.

Mr. Ainsworth: I thank the hon. Gentleman for his response. He takes these issues seriously and studies them, and I hope that he finds the Green Paper a useful tool for his thinking as we move towards the strategic defence review.

The reason why Trident was not included in the Green Paper was that we had to take a strategic decision in 2006 to replace the deterrent if we genuinely wanted to maintain both the skill base in Barrow and our ability to build nuclear submarines. If we had not taken that decision, the risk to our ability would have been profound, and, having done so, we see no reason to

[Mr. Bob Ainsworth]

attempt to revisit or re-take it. If we did so, that would be destructive. We took the decision, and the time scales in developing nuclear submarines are considerable. That is why the decision had to be taken when it was.

The hon. Gentleman will find that the Green Paper acknowledges that the possibility of quick in, quick out was thought about and hoped for. However, we have not been able or prepared to remove ourselves from some of our operations, and we have been enduring counter-insurgency as a result. That has profound implications, because if we want to maintain our ability to conduct operations like those that we are undertaking in Afghanistan, we must address that issue, among others.

I really believe that the US contribution will continue for the foreseeable future, but I do not believe, as some—not all—Conservative Members do, that there is an alternative to an Atlantic relationship or a European relationship. Our strength in Europe enhances our position with the United States of America. I believe that the two are complementary, and we should pursue both.

Our forces are based in Germany not in anticipation of the Russians coming over, although that is the historical reason why they are there. They are there because bases were built, and that is where they are based. Over time we have reduced our footprint, and over time I should expect us to continue to do so, but that is effectively their home. I am enormously pleased that they are made welcome in Germany, and that we will continue to have a close relationship with the German authorities.

Linda Gilroy (Plymouth, Sutton) (Lab/Co-op): I welcome the statement and accompanying papers and the emphasis that my right hon. Friend places on adaptability and partnership to meet not only the ongoing commitments in Afghanistan but the uncertainty that lies beyond that. He concluded by saying that he hoped that there would be "a mature and well-informed debate about the future structure of our armed forces." Given that this time last year 29 per cent. of personnel deployed in Afghanistan were naval personnel, can he confirm that this work on the future structure of the armed forces will recognise the naval contribution?

Mr. Ainsworth: In response to my hon. Friend's final question, yes, of course, it is absolutely necessary and vital that we have that rounded debate and that we appreciate our geographical location and our dependence on the maritime environment. The existence of and necessity for naval capability is therefore an issue that we must consider seriously.

In many ways, the strategic defence debate has already started, and the Green Paper is a contribution to that. We have already been consulting widely and provoking other people to join in the debate. Papers are coming out of the Royal United Services Institute and other think-tanks and organisations, which are a great contribution to the debate, and those on the Front Benches and Back Benches are turning their minds to it, as are others in the country. I really wanted to encourage that debate when I embarked on this programme, and I hope that this Green Paper has made, and will make, a contribution to it.

Mr. James Arbuthnot (North-East Hampshire) (Con): I am grateful for prior sight of the statement and of the Green Paper, which is fine, and helpful. I entirely agree with the Secretary of State that the more discussion we can have on this, the better, and I am glad that he has started it off. The Bernard Gray report suggested a 10-year rolling budget. Does the Secretary of State agree that a 10-year indicative planning horizon is a watering down of that proposal, and was it the Treasury that objected?

Mr. Ainsworth: The longer the planning horizons that we can have in this regard, the better off we are, so we have obviously been discussing that within Government. The provision of the indicative budgets will be a great help, particularly on the equipment side. However, that, on its own, will not get us to where we need to be. Transparency, uncomfortable though it will be, is something which the right hon. Gentleman's Committee, the Defence Committee, has been advocating for some time, and it will be the big tool in getting us to a better place.

Several hon. Members *rose—*

Mr. Speaker: Order. A further 22 right hon. and hon. Members are seeking to catch my eye. I should like to accommodate everybody, but there is important business to follow, so short questions and short answers are required.

Mr. David S. Borrow (South Ribble) (Lab): On Friday, I will be visiting BAE Systems' plant at Samlesbury in Lancashire, where the joint strike fighter is being built. Some £800 million has been invested in the plant, and the aircraft are due to fly off the two aircraft carriers that my right hon. Friend mentioned. His colleague, the Under-Secretary of State for Defence, my hon. Friend the Member for Grantham and Stamford (Mr. Davies), mentioned to the Defence Committee the Government's commitment to an order of 140 aircraft. I am sure that when I visit the plant on Friday the work force would be pleased if I could confirm that the Secretary of State had made a similar commitment.

Mr. Ainsworth: Over time, our plans are to base our air capability principally on two aircraft—the Typhoon and the joint strike fighter. The numbers and the particular capabilities of either of those will need to be considered in the defence review. I hope that my hon. Friend takes heart from the fact that even with the movement of resources in December towards the Afghan mission, I brought forward the Typhoon capability upgrade, which means that I understand the importance of maintaining our air capability.

Mr. Nicholas Soames (Mid-Sussex) (Con): May I thank the right hon. Gentleman and my hon. Friend the Member for Woodspring (Dr. Fox) for their kind words and say what an honour it was to serve on the Defence Advisory Forum?

Having heard the Prime Minister's thoroughly slippery and entirely inaccurate answers on defence matters at today's Prime Minister's questions, will the Secretary of State confirm that good though this Green Paper is—and it is a good piece of work—a great deal more thinking needs to go on in respect of foreign policy? The foreign policy baseline needs to be the architecture on which the security and defence review will be based.

Mr. Ainsworth: This Green Paper is clearly grounded in the security documentation that the Government have produced, and I hope that it is consistent with our foreign policy objectives; I have no reason to believe that it is not. The Foreign Office has had the same kind of input as the hon. Gentleman has had. We have been showing him drafts, and he has been providing input and helping to mould this work as it has gone forward. I do not think that his fears are well founded; I hope that they are not.

Jeremy Corbyn (Islington, North) (Lab): If I may say so, I found the Secretary of State's statement rather depressing. There was no mention of a peace process, no mention of international law, and no mention of the United Nations. How on earth can one have a review of defence capabilities without including the nuclear question and the replacement of Trident, which forms such a massive part of our future expenditure? We could save £76 billion over the next 20 years by cancelling the Trident programme, so helping to bring about world disarmament.

Mr. Ainsworth: I am not surprised that my hon. Friend and I have failed to reach a consensus on the nuclear issue. If he reads the Green Paper that I have produced—I commend it to him—he will see that the United Nations figures quite considerably. Of course, we want to support the security apparatus that provides not only for our own security but for good relations throughout the world, and the United Nations is a very important part of that. If we can promote peace in any and every way, and to the maximum degree of our ability, we should do so, but we should not be naive in thinking that that will always be the case. We therefore have to accept the need for capable armed forces of the kind that we have today and that we will need in future.

Mr. Bernard Jenkin (North Essex) (Con): May I add my thanks to the Secretary of State for the way in which he has sought to engage with a wide range of people on this Green Paper? Does he agree, however, that this would not be the moment for an east of Suez retrenchment of the United Kingdom under financial pressures, that we cannot afford the luxury of withdrawing back to our home base, and that it is extremely unlikely that we can sustain our global role unless we maintain increases in defence expenditure?

Mr. Ainsworth: The financial pressures are real, and they will have to be tackled. I agree with the hon. Gentleman that we should not retreat to the goal line, as I put it, and that we should continue to play our part in the world. However, if we are not increasingly efficient and agile in doing so, and if we are not prepared to accept that we have to do it with others—that we cannot be unilaterally secure—then financial pressures may well force us in the direction he describes.

Ms Dari Taylor (Stockton, South) (Lab): I warmly welcome the thoughtful statement by the Secretary of State. In terms of emergent threats, where is the reference to cyber attacks, accepting and acknowledging that, for many, those present the greatest threat to our security?

Mr. Ainsworth: Passages in the Green Paper refer to the cyber environment, because we must be mindful of the great vulnerabilities to which we may be subject as we become more technologically dependent. A lot of investment has already been made in cyber defence and associated matters, but it is an issue to which we must give constant thought.

Angus Robertson (Moray) (SNP): I welcome the Secretary of State's statement and the strategic defence review. I note with sadness that he chose not to have talks with all parties in the House; perhaps that can be remedied in future.

In Scotland, since Labour came to power, more than 10,000 defence jobs have been lost, regiments have been amalgamated, and bases have been closed. According to the Ministry of Defence's own statistics, between 2002 and 2007 there was a £4.3 billion defence underspend in Scotland. Does the Secretary of State agree that the strategic defence review must take account of defence spending and the defence footprint across the nations and regions of the United Kingdom?

Mr. Ainsworth: I personally get on very well with the hon. Gentleman; I want to say that at the start. However, I point out—sadly rather than in any other way—that in seeking to establish the Defence Advisory Forum and capture other political views, if I had thought I would get a constructive contribution from the Scottish National party, I would have included it. However, I genuinely thought that any points from its representatives would have been parochial point scoring rather than genuine input into the planning of the future of defence for the United Kingdom of Great Britain and Northern Ireland.

Mr. Gordon Prentice (Pendle) (Lab): My friend talks all the time about "our people", but a steadily rising number of our people are recruits from the Commonwealth with no direct experience of life in the UK. Does the Green Paper say anything about future manpower planning, if I can use that term, and where the recruits are going to come from?

Mr. Ainsworth: What my hon. Friend says was certainly true for a fairly long period, when we had an increasing contingency from across the Commonwealth. That trend has gone down, which may well be connected with the recession and job opportunities—I am not sure. We are now as near as we have ever been to full manning in the Army, but we need to maintain the high-level skills that we need at every rank. We are not talking just about officers, and when we see how our armed forces operate we see that they need more than bravery. The adaptability and brain power that the lower ranks bring to problem solving is impressive, so of course we must plan for how we can keep those people satisfied and employed in the armed forces.

Mr. Douglas Carswell (Harwich) (Con): Will the strategic review allow for more off-the-shelf procurement? Will it call time on the ruinously wasteful protectionism in the defence industrial strategy, and if not, why not?

Mr. Ainsworth: The hon. Gentleman takes the view, which is not widely shared in the House, that we can simply buy cheaply and readily off the shelf from what is available on the market. There would be consequences for us in doing that. If we buy jets, helicopters or ships from abroad and lose the technological capability to produce such items ourselves, we will probably never be

[Mr. Bob Ainsworth]

able to gain it again, and we will be sold what is effectively second-class equipment. That is the inevitable consequence. It may well be cheaper, but it will probably be second-class. That is why we have the defence industrial strategy, which decides where we can afford to go in the market, where we can afford to buy cheaply and where we need to maintain our own industrial capability onshore.

Clive Efford (Eltham) (Lab): The public's response to soldiers returning from conflicts has demonstrated that they want our armed forces and the members of them to be held in the highest regard. Will my right hon. Friend ensure that part of the review is the care and rehabilitation of soldiers returning from conflicts, who often come back traumatised and needing support, and particularly ensuring that those who are injured in the service of their country get the best form of treatment and that the families of the fallen are looked after?

Mr. Ainsworth: We need to recognise that the way in which we treat our armed forces has an impact on our ability to recruit the high-calibre people whom we want. The detailed work on how we take forward our welfare programmes for both veterans and serving personnel is being undertaken by the Under-Secretary of State, my hon. Friend the Member for North Durham (Mr. Jones). There are aspects that we yet want to improve, despite the improvements that we have made over the years in the service personnel Command Paper and so on, and we may make further statements in the near future on aspects of welfare for parts of our armed forces.

Alan Duncan (Rutland and Melton) (Con): How can the Secretary of State justify taking the decision now to close RAF Cottesmore in Rutland before the completion of the defence review, when the economics of doing so must be totally unclear?

Mr. Ainsworth: I understand that the hon. Gentleman is representing his constituents assiduously, but the needs of Afghanistan and the priority that needed to be given to it, and therefore the need to continue to take the money that was specifically available for the operation from the Treasury reserve and to adjust the core budget, were justifiable and overriding. There were consequences of that, and I am sad to say that one of them fell in his constituency.

Mr. Ian Davidson (Glasgow, South-West) (Lab/Co-op): May I ask the Secretary of State how successful he has been in building a consensus with the Opposition parties on the future of the Royal Navy and the need for there to be thousands of jobs in the UK in building aircraft carriers? In the drive to build a consensus, is he willing to meet representatives of the work force engaged in building the carriers, and will he use his good offices to try to arrange meetings with the leaders of the Opposition parties so that they can hopefully be drawn into that consensus?

Mr. Ainsworth: We took the decision to build the carriers, and my hon. Friend was deeply disappointed that we did not decide to build five or six rather than the two in which we committed. However, we took that decision and are getting on with it, and the carriers are in the process of being built. I know that the Opposition's policy needs to be flushed out—he is very good at doing that, and I wish him every success—but in producing the Green Paper I never sought to divide people. I sought to bring them together.

Mr. Ian Taylor (Esher and Walton) (Con): I commend the Secretary of State for raising as one of his strategic questions the matter of armed forces ensuring security and contributing to resilience in the UK. The Institute for Public Policy Research's commission on national security, of which I was a member, stressed the importance of that. Has he looked again at the 1960s civil contingencies legislation and considered whether we should have a homeland security force, who would staff it and how it would work with the Home Office and local government agencies? That is a serious matter in protecting our critical national infrastructure, particularly if we get pandemics.

Mr. Ainsworth: It is true to say that we have been going in the opposite direction, because other organisations, particularly the police, have developed better capabilities so that they do not depend on our armed forces. However, we need to think through how far that process should go. That is why the matter is flagged up in the Green Paper, so that we can consider it, tackle it and come to a conclusion.

Bob Russell (Colchester) (LD): The Secretary of State said, "Our biggest capability is our people...military and civilian", and their ability to deliver defence. He was completely silent on the need for decent housing, whether it be single or family accommodation. Although I acknowledge the disaster of the privatisation of family housing by the previous Government, does he agree that the Government have had plenty of time to put that right? If retention is still an important part of the Government's thinking, decent housing for our married soldiers is a priority.

Mr. Ainsworth: The hon. Gentleman knows that we have invested hugely in the estate, and his constituency and constituents have been the beneficiaries of considerable investment. However, we need to consider to what degree our structures should encourage home ownership among our armed forces. Many of them are going that way in any case, so we must consider to what degree we should continue to encourage them to be tied to the provision of housing that goes with accompanied service. We have to grapple with that issue, and it is raised in the Green Paper so that we can think about it in the defence strategic review.

People worry about the potential effects of losing accompanied service accommodation, but societal trends appear to be going in that direction in any case. It seems to be the desire of most people to own their home, and that applies to service personnel as to anybody else.

David Tredinnick (Bosworth) (Con): Bernard Gray found that too many types of equipment were being ordered for too many tasks at too high a specification. Is it not a great sadness that the Government have only just commissioned this review, having been in office for so long? Does not the Secretary of State feel that some of the problems in defence lie at the very heart of his Department?

Mr. Ainsworth: When one looks for international comparators, one struggles to find anybody who does such things in a pristine manner. We are no worse than many, many others, but there is huge ground for improvement in my opinion. That is why my predecessor commissioned Bernard Gray to do that report in the first place, and why the Minister of State, Lord Paul Drayson, took a hold of it and produced the acquisition reform strategy, which I think will address the issues raised by the hon. Gentleman.

Mr. Michael Jack (Fylde) (Con): The Secretary of State will be aware of the developing world-class technology at BAE Warton in my constituency, which is seeing the production of unmanned and autonomous air vehicles. Will the debate he has triggered by the publication of the Green Paper enable a decision to be made as to whether that technology should be counted as a sovereign technology for the United Kingdom?

Mr. Ainsworth: Yes, that is something that has got to be looked at. I would just remind the right hon. Gentleman that some of his hon. Friends suggested that I was paying for today at the expense of tomorrow when I moved some resources for the purchase of drones. I think such capability is exactly "tomorrow", whether that means in Afghanistan or anywhere else. The kind of thing the right hon. Gentleman mentioned is what we need to think about.

Mr. Jeffrey M. Donaldson (Lagan Valley) (DUP): May I assure the Secretary of State that we in Northern Ireland and our friends in Scotland and Wales are not parochial when it comes to providing our best young people—men and women—to serve in the armed forces? Will he advise the House what proposals are contained in the Green Paper to help to encourage young people to join, particularly in the light of the proposals on the university officer training corps and the Army Cadet Force?

Mr. Ainsworth: I would add to what the right hon. Gentleman says by saying that Northern Ireland provides a home base for 19 Light Brigade, which is greatly appreciated.

We will get the talent that we need in the armed forces only if people think it is an organisation that has a future in which they can build their careers and to which they can make a real contribution. That impacts not only on welfare provision—soldiers are interested in that, but they are also interested in the kind of organisation that they are joining. They want to join capable armed forces. Planning properly for the future to ensure that they can fulfil a role is the biggest single contribution we can make to attracting the talent we need.

Mr. Julian Brazier (Canterbury) (Con): It is welcome that the Green Paper contains a number of references to reserve forces, following from the question asked by the right hon. Member for Lagan Valley (Mr. Donaldson). In their review, are the Government going to address the questions why we strike the balance between reserves and regulars so very differently from most of our English-speaking counterparts, and why they are able to make so much more imaginative use of reserves than us?

Mr. Ainsworth: I hope so. That is why those passages are there. I think societal trends will push us, in the long term, in the direction of making more use, not less, of reserve forces. Therefore, the need to ensure that they are highly trained and capable people is going to take on increasing importance. Those issues are flagged up in the Green Paper and the questions that we have posed are out there for debate, and I hope that that matter will be addressed in the strategic defence review.

Mr. William Cash (Stone) (Con): Does the Secretary of State note, seeing as he has made the statement, that there is not a single reference to NATO in it, which is simply stupendous and quite astonishing? Why is there also no reference to the European Union? Europe is one thing and allies are another. Can he remember what happened with the French off Djibouti? Can he remember what happened when the Belgians would not provide us with any ammunition? Can he remember what happened over the Iraq conflict? Can he remember what happened with respect to the Germans in Afghanistan? Does he not realise that we must have a proper, coherent policy that includes NATO?

Mr. Speaker: Order. That was a quintet of questions, but one answer will suffice.

Mr. Ainsworth: Unless I misread my speech or there was a late draft or whatever, NATO, the European Union and the United States of America were all mentioned. The hon. Gentleman will find that they are liberally mentioned—appropriately—in the Green Paper, which I commend to him.

Mr. Philip Hollobone (Kettering) (Con): Should there not be a step change increase in the use of our reserve forces if we are to provide Her Majesty with a more flexible, adaptable and cost-effective armed forces in future? Is this not the golden opportunity of a generation to do that?

Mr. Ainsworth: Maybe. The question has been raised and the strategic defence review will have to answer it, and the hon. Gentleman has views that he will want to make known.

Ann Winterton (Congleton) (Con): Was it not the Ministry's preoccupation with the European Union project for the future rapid effect system that prevented it having the ability to respond to the needs of our soldiers in both Iraq and Afghanistan, leading to a shortage of appropriate equipment in both protected vehicles and, indeed, helicopters? Did I not note that the Secretary of State mentioned further integration as far as the European Union and defence are concerned, and may I warn him not to go down that route? If he does, caveat emptor.

Mr. Ainsworth: The hon. Lady has looked into vehicle capability and developed quite a level of expertise in that area, but she knows that I fundamentally disagree with her. The vehicles that we have to have specifically to fight the mine threat in Afghanistan are superb and exactly what is needed, but they would be of little use in different scenarios, such as a high-end attack from a capable and well equipped enemy. A Mastiff would not last very long on a fast-moving battlefield. Therefore, as I have said, we must plan for the many threats that we

[Mr. Bob Ainsworth]

might face. Directing all our resources towards Afghanistan is something that we would need to think very seriously about.

Mr. Peter Bone (Wellingborough) (Con): Will the Secretary of State expand his thinking about integration with our European allies? Would that ultimately lead to a situation in which some operations could not be conducted without their support?

Mr. Ainsworth: One of the big questions we must face is to what degree we are prepared to integrate with, and therefore become dependent upon, our allies, whether that is NATO or the EU, or the US, with which we have a close association in military affairs. That is something that we must think about, but there are people in the House—I do not know whether the hon. Gentleman is one of them—who have a view that we can be secure unilaterally. However, I do not think that even the US can be secure unilaterally in the modern world. Therefore, we must invest in our friends and alliances—we have no choice but to do so.

Mr. Crispin Blunt (Reigate) (Con): Until 1997, there was an annual defence White Paper, which was, to a significant degree, the public presentation of the product of the long-term costings exercise inside the Department, which reconciled the defence programme 10 years out. The absence of that process or of any replacement for it means that the forward defence programme is now bearing all the risk. That was enumerated by Mr. Bernard Gray, who said in his report that

"the forward Defence programme faces"

real

"financial pressures".

I am afraid that the Secretary of State and his predecessors, but most of all the Prime Minister, who has been either Prime Minister or Chancellor throughout that period, have to bear the responsibility for this disaster for defence—that is what it is—and reconcile it with the worst fiscal crisis for the Government since the Invergordon mutiny.

Mr. Ainsworth: Equally, I heard the Prime Minister not so long ago tell the hon. Gentleman and his hon. Friends that it was they who went into the last election pledged to a £1.5 billion cut in the defence budget.

Desecration of War Memorials

Motion for leave to bring in a Bill (Standing Order No. 23)

1.28 pm

Mr. David Burrowes (Enfield, Southgate) (Con): I beg to move,

That leave be given to bring in a Bill to amend the law to make provision about damage to war memorials; and for connected purposes.

Every Remembrance Sunday, war memorials up and down the country become the focal point for our national ceremony of remembrance. From the plainest monuments to the grand Cenotaph in Whitehall, people gather to remember the glorious dead. For the rest of the year, war memorials fade from the public consciousness into the background of our lives. But they are still there, exuding a quiet dignity tinged with sadness for those who have died for our country. They are more than rock and stone. In fact, the estimated 100,000 war memorials take the form of plaques, inscriptions on church pews, statues, arches and even bus shelters. But whatever the form, they symbolise the values of service and sacrifice for our liberty that our country holds dear.

Conflicts such as that in Afghanistan have sadly made remembrance a continuous part of our national life. Today, the Prime Minister again read out the names of those soldiers who have died in Afghanistan in our name. Those names, like those that have gone before them, will not be forgotten. That is what we say, and we act—in one way—by inscribing those names on memorials.

I wish to introduce this Bill to ensure that we reflect the importance of war memorials. If enacted, the Bill would properly punish those who show such disregard by desecrating a war memorial. With the death of Harry Patch, the last human thread connecting us to the great war generation may have been cut, but that makes it all the more incumbent on us to retain and protect the physical thread that connects us to Harry Patch's generation in the form of memorials.

My interest in this issue was sadly first prompted by an appalling act of theft and criminal damage to the Southgate memorial in Broomfield park in my constituency last August. Two six-foot-by-four-foot bronze plaques and nine smaller plates bearing the names of soldiers who died in the two world wars, alongside civilians from Southgate who were killed in the blitz, were ripped out. We were outraged by this despicable act. In 1949, when opening the Southgate memorial, Alderman Wauthier said:

"The Garden of Remembrance is a hallowed place and should not be interfered with".

Sixty years later, it was disgracefully interfered with, and the purpose of this Bill is to ensure that culprits get the punishment they deserve.

The national media asked how this could happen. One radio programme was even dedicated to the question of whether Enfield was the meanest borough in London. I set about finding out whether this desecration is unique to my constituency. I take no pleasure in reporting to the House that in fact there have been an alarming number of incidents—57 reports in regional and national press in the last year of desecration of war memorials involving vandalism, theft and even public urination and defecation. This averages out to at least one war

memorial being desecrated every week. In fact, the lack of any specific reporting of such offences means that the number of desecrations is probably much higher.

What particularly troubled me about the desecration in my constituency was that the bronze plaques were practically irreplaceable. We did not have any records of the names that were inscribed, and so when these plaques were stolen there was a good chance that the names, and the memory, of those soldiers could have been lost forever. It sickens me—and, no doubt, the House—to think of those plates being melted down for scrap and those names being consigned to oblivion. Thankfully, a local man who had taken extensive photographs of the memorial a few years ago came forward. Together with the good work of the UK National Inventory of War Memorials, we are now able to replace the plaques. Other communities are not so lucky, with many memorials not properly registered and recorded.

The War Memorials Trust together with the national inventory, based at the Imperial War museum, are doing a sterling job to encourage registration of memorials, but only 55,000 have so far been registered. I urge hon. Members to find out how many war memorials there are in their constituency by contacting the national inventory, and—as they pound the streets and visit community buildings in the coming weeks—to keep an eye out not only for floating voters, but for unregistered war memorials.

The War Memorials Trust, which relies on voluntary support, deserves our membership and support for its commendable and tireless work to protect war memorials. The hon. Member for Cleethorpes (Shona McIsaac) has previously raised this important issue, and we need to be vigilant and take action to reverse the neglect that is the greatest threat to memorials.

War memorials do not have any dedicated legal protection. When damage is caused through criminal acts or neglect, the common question is who is responsible for repair and restoration. In my constituency, thankfully, Enfield council quickly responded by temporarily replacing the plaques, and they will soon be fully restored. However, the law needs to reflect the impact of desecration. There is, of course, the physical damage and the financial cost to the community of cleaning away the graffiti, repairing damage or replacing any stolen items such as bronze plaques. Many memorials were erected in the aftermath of the first world war and have since become a part of our heritage and our community. They are our connection to the past. The desecrators not only cause damage and steal property, but break the crucial link with past generations who have provided the remembrance. Such a break can sometimes be irreparable. More fundamentally, war memorials represent the values of our country. An attack on a war memorial represents an attack on our deeply held values, our freedoms and our democracy.

Who are those people carrying out these acts of desecration? Some incidents, like the widely reported case of a Leeds student urinating on a war memorial, are the result of reckless binge drinking. Then there are the mindless acts of destruction where memorials are smashed to bits and nothing taken. Finally, and most serious of all, are the deliberate attacks aimed at desecrating the symbolic value of war memorials. I have come across several incidents of Nazi swastikas being sprayed on to war memorials. One of these included a memorial built to remember the victims of the holocaust. I find this particularly abhorrent, given that many of those memorials commemorate men who died fighting to keep this country free of fascism. Whether the actions are as a result of disrespect or deliberate malice, we must have tough sanctions.

So what is the state of the law at the moment? Currently there is no specific provision for desecration of a war memorial. The problem with the law, as it stands, is that it primarily accounts for seriousness on the basis of financial value of the damage. Unless the damage caused costs more than £5,000 to repair and replace, the maximum sentence that the magistrates court can hand down is three months in prison. This simply does not accurately reflect the seriousness of the crime.

The Bill would amend the Criminal Damage Act 1971 to recognise damage to war memorials. Crown Court judges would have the power to deal with these cases, with up to 10 years' imprisonment at their disposal. Presently, there are no complete figures for attacks on war memorials. By recognising war memorials in statute, we would help the reporting of such incidents. Another benefit of this Bill would be the creation of a proper legal definition for war memorials. This has been the aim of the War Memorials Trust for some time. By clarifying this definition, we would be able to tackle not just desecration but the problem of neglect.

I appreciate that my Bill has no chance of becoming law in this Parliament, but I hope that a future Parliament will consider the whole issue of protection of war memorials. In the meantime, I hope that sentencing guidelines can be revised. Also I am sure that a war memorials all-party parliamentary group will be shortly formed, with a challenge for 2014 on the centenary of the outbreak of the first world war to have all memorials properly registered.

In 1949, the Southgate mayor said:

> "Time may dim our recollections of the heroic days of the war but will never obscure the gratitude we shall hold for those who fell. This memorial is living testimony to those of whom we in Southgate are proud. We shall not forget."

This Bill says that we as a House and country shall not forget.

Question put and agreed to.

Ordered,

That Mr. David Burrowes, Shona McIsaac, Robert Key, Jim Sheridan, Dr. Andrew Murrison, Mr. Colin Breed, Mr. Charles Walker, Mike Penning, Angela Watkinson, Mr. Graham Stuart, John Mann and Michael Fabricant present the Bill.

Mr. David Burrowes accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 30 April, and to be printed (Bill 60).

Police Grant Report

1.39 pm

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): I beg to move,

That the Police Grant Report (England and Wales) for 2010-11 (HC 278), which was laid before this House on 20 January, be approved.

This debate takes place against a backdrop of record falls in crime and record levels of police numbers. One thing that can be said about the Government, more than anything else, is that we have invested in police and policing numbers, not just through neighbourhood policing, protective services and collaboration programmes, but in relation to all aspects of the police service. I am delighted, therefore, that the British crime survey and figures last week showed a marked reduction in crime for 2008-09, compared with 2007-08.

It is worth placing that on the record because the police do a magnificent job, as has been shown by the fact that over the past year total recorded crime fell by 5 per cent.; vehicle crime by 10 per cent.; violence against the person by 6 per cent; robbery by 5 per cent.; sexual offences by 4 per cent.; robbery with a knife by 2 per cent.; and firearm offences by 17 per cent. Challenges remain, but I put it to the House that, whatever is said in this debate, those figures are good, particularly given that we are coming out of a recession. Normally, under such circumstances, crime would rise, but actually, over the past 12 months, in what have been—by any stretch of the imagination—challenging financial circumstances, crime has fallen.

That can be added to the overall drop in crime of 36 per cent. since 1997, which is a very positive thing. The House will also know that the British crime survey last week showed that confidence in policing is now at 50 per cent. and that the chance of being a victim of crime is the lowest since records began. That is the backdrop to today's settlement and discussion. Coupled with those falls in crime, last week I was able to announce historically high numbers of police officers and staff on the streets. Figures published last week show that police officer strength remains at 142,688, which is an increase of nearly 17,000 officers over the past 13 years.

Obviously there are variations, challenges and difficulties, which no doubt will come out in the debate, but the record numbers of police officers, and indeed police community support officers—more than 16,000—show that today's settlement is building on a history of strong settlements that have seen crime fall, policing numbers rise and the introduction of PCSOs. The levels of confidence in policing and the fact that a person's chance of being a victim of crime is the lowest ever show that the Government have done a good job to date.

Mr. Paul Truswell (Pudsey) (Lab): My right hon. Friend will be aware that the Government improved the funding formula for West Yorkshire police. Nevertheless, it is still £18 million adrift of the figure it would get were it fully funded. Will he and his colleagues consider how police authorities such as West Yorkshire can bridge that gap, so that they can continue to enjoy record levels of police officers and the subsequent major impact on crime?

Mr. Hanson: I will return to the funding formula later because it is an important issue, and a number of representations have been made by different forces about some of the inequities in the funding formula. We are currently considering the matter, and will continue to do so in the future, but my hon. Friend will know that, this year, West Yorkshire police saw an increase of 3.3 per cent.—£11.3 million—for the next financial year. Historically, West Yorkshire police funding has increased by 37 per cent. in real terms over the past 13 years.

Mr. Stewart Jackson (Peterborough) (Con): Why has the Home Office consistently failed, until recently—with the migration impact forum—properly to take into account the significant impact on crime and policing of large-scale migration since May 2004 from eastern European countries? Does the Minister agree that that has had significant ramification for the number of police whom people in Cambridgeshire, where my constituency is located, expect to see on the beat? Why is that the case?

Mr. Hanson: As the hon. Gentleman will know, that is one of the issues on which we have received representations, including from the chief constable of his own force. However, I hope that when the hon. Gentleman reflects on Cambridgeshire police funding, he will be pleased that the Labour Government have delivered an extra 109 police officers to his force in the past 13 years, that 33 per cent. more resource is going in than did under the Tory Government, and that even this year, in these challenging times, his force has £2.5 million more than it did last year—and all that from a Labour Government. I hope that he recognises those facts when he talks to his local police authority about the Government's performance in those areas.

Mr. Jackson *indicated dissent.*

Mr. Hanson: The hon. Gentleman is not happy?

Mr. Jackson: My chief constable is not happy!

Mr. Hanson: Those figures are facts. They relate to the funding given by the Labour Government to Cambridgeshire police. The hon. Gentleman needs to recognise that fact. But let us put that to one side.

Simon Hughes (North Southwark and Bermondsey) (LD): Funding statistics and formulae are important, although most people are more worried about outcomes than how we get there, but can the Minister assure us that the population figures, whether or not they include people on the electoral register, are up to date as the basis of the formula? That has been a recurrent issue for local government and other service funders in London. Will he also comment on the fact that there is still some doubt about the veracity of the crime figures, which—if he is to be believed—are falling? Although that is to be welcomed, to have public confidence the figures ought to be arrived at in an entirely neutral way and separate from the Government as far as possible.

Mr. Hanson: The crime figures which I commented on—not announced—10 days ago were announced by the Office for National Statistics, which is independent of the Government. Indeed, I see the crime figures only as a matter of courtesy a few hours before they are

produced, so they are independent. I do not gerrymander them. I take the hon. Gentleman's point about the important population issues, but under any measure crime has fallen across England and Wales over the past 13 years, including in London and key areas as a whole.

Bob Spink (Castle Point) (Ind): The Minister will know that police numbers in Essex have increased, and he will probably have guessed that I will seek to claim credit for that. However, people out there know that the real reason is that the Government have increased funding to enable police numbers in Essex to increase, and I thank him for that. However, will he use innovative surveillance and high-tech equipment to improve policing—for instance, vehicle automatic number plate recognition systems? We need those to clamp down on burglaries, which are a particular problem on Canvey island, for instance.

Mr. Hanson: I am grateful to the hon. Gentleman for his support. He recognises, as I do, that there has been a 30 per cent. real-terms increase in funding for Essex, that there will be a £5.2 million increase—2.9 per cent.—next year and that there has been an historical fall in crime over the past five years of nearly 6 per cent. I fully accept that there is always more that we can do, and the automatic number plate recognition is a valuable tool—I know from my constituency how it helps to identify potential vehicle crime and to reduce crime. However, it relates to issues not only of vehicle crime, but of mobile burglary and people who cross borders to commit crimes. I certainly, therefore, encourage and support its further use, for which we should all be grateful.

Let me turn to the nub of today's debate. The police revenue support grant, which was laid on 20 January, confirmed the indicative figures, and we are implementing the 2010-11 funding settlement as announced in December 2007, which is good news for the police. Between 1997 and 2010-11, we have increased the police service grant by about £3.7 billion—a cash increase of 60 per cent. and a real-terms increase of almost 20 per cent. The figures that I gave to the hon. Member for Peterborough (Mr. Jackson) can be replicated across the board in every police authority in England and Wales and represent a substantial increase in funding. They show that this year total Government funding for the 2010-11 cycle in today's report will be more than £9.7 billion—an overall increase of 2.7 per cent. on 2009-10. Some £8.5 billion of that provision is for the police general formula grant, and there is also an additional £1.2 million in specific grant funding, to which I will return later.

We gave those commitments several years ago. In fact, they were probably given by my right hon. Friend the Member for Harrow, East (Mr. McNulty), who is with us today, as part of the three-year cycle of this comprehensive review. We kept those commitments and delivered on them in 2008 and 2009, and now in 2010-11. We have also kept ring-fenced funding to a minimum, so that we can allow forces the maximum flexibility in deciding how to allocate and spend their resources. The police grant deals with Home Office general police grant for revenue expenditure. The amounts for individual police authorities are set out in the papers before the House today, and I hope that they will be generally welcomed.

We have set a minimum floor of 2.5 per cent. for the grant provision for 2010-11. My hon. Friend the Member for Pudsey (Mr. Truswell), who raised this issue, will know that, whatever our views on the funding formula, the fact that we have set a minimum rise of 2.5 per cent. is helpful to many forces. It means that each police authority in England and Wales is guaranteed an increase of at least that level. In my view, that is a positive announcement. We are trying to strike what I would describe as a sensible balance on the issues in economically challenging times.

Indeed, I would be interested to hear from the hon. Member for Bury St. Edmunds (Mr. Ruffley) about whether, in what I would obviously see as the unlikely event of a change of Government, he will commit himself to the 2.5 per cent. increase that we have put in place for next year, whether he will support that funding for police community support officers, and whether he will support the ring-fencing of that funding, because those are crucial matters that will form part of our debate between now and whenever my right hon. Friend the Prime Minister calls the general election. We want to look at the funding formula review, and we will do so shortly. I hope that we will be in a position to do that in the next 12 months.

There has been no change to rule 2 grants since the start of the current spending review, in 2008-09. Police authorities have complete flexibility on how best to use that resource.

Specifically on the settlement, we have also put in place absolutely committed funding for neighbourhood policing, as the foundation for local police in the 21st century. That is why, for 2010-11 we are maintaining and increasing the ring-fenced funding that helps to support those 16,000 police community support officers. I look forward to hearing the hon. Gentleman make a commitment to fund those 16,000 PCSOs next year, in the unlikely event of a change of Government, or at least supporting me from the Opposition Benches for the good that the Government are doing on that. PCSOs provide a valuable resource, delivering on the policing pledge commitments and raising public confidence. Neighbourhood policing is the key. That investment is making a difference and contributing to the crime falls that I mentioned. We will shortly produce a safe and confident neighbourhoods strategy, which will look at how we develop the policy still further. I look forward to giving the House details of that, I hope within the next month.

As well as the policing of local communities, which is the bedrock of our activity, we also need to look at protective services and the collaboration programme, to ensure that we drive up and develop minimum standards across the board. We have made an additional £2.2 million available in the settlement today to help deliver regional capability in tackling regional crime, which is a serious issue and one that we need to address. We are keen to ensure that we aid the police in reducing crime and have designed programmes accordingly.

In today's announcement, we have also committed to the basic command unit fund and ensured that forces receive the same allocation in 2010-11—a total of £40 million—as previously. From my perspective, public confidence is at the heart of our agenda—public confidence on issues such as antisocial behaviour and crimes that matter locally, which are best dealt with by locally supported forces. That £40 million is extremely valuable.

[Mr. Hanson]

In the document before the House, we have also confirmed the capital spending for supported capital expenditure for next year. Again, I say to the hon. Gentleman and others that we have committed a total of £220 million. That is money that we said we would allocate previously—we have committed to it and continued to support it. That has meant some difficult and challenging decisions, but, by making that commitment today, we have been able to support that capital expenditure firmly, which is good news for the police in dealing with the capital issues that they need to address.

Almost finally, for Welsh police authorities, which are close to my heart as a Member of Parliament representing a Welsh constituency, we have set a minimum increase in the grant, in line with English authorities. We have again adjusted the Home Office police grant for Welsh police authorities, to maintain consistency with those in England. The additional support will total £16 million this year and will help to maintain police numbers and reduce crime.

I should also like to report to the House that we asked for, and received, representations in our consultation on the settlement. However, I received only four sets of written representations about the settlement, from four police authority areas. That is fewer than in previous years and a little more than a quarter of the representations that were received last year. That indicates the level of support not just in the House, but in the community, for the proposals that I am putting before the House. Following those representations, we have laid the papers before the House, which in my view show a good settlement, which is something that we need to take into account.

The pre-Budget report of December 2009 is also crucial to our consideration today. It has enhanced our immediate understanding of the future funding of the police, by announcing, through my right hon. Friend the Chancellor of the Exchequer, that sufficient funding will be made available to 2012-13 to enable police authorities to maintain the current numbers of warranted police officers, as well as police community support officers and other staff exercising police powers. Again, that is a commitment from this Government to real money, on the table, to fund real police officers out on the street, reducing crime still further.

I do not wish to be too political—although we are in interesting times—but that is a commitment on the funding to date that was announced in the pre-Budget report. I hope that that commitment will be subject to debate, and I look forward to receiving the hon. Gentleman's support, because it sets the framework for the confidence that police authorities can have in knowing that the record numbers of police that we have provided will continue, should they wish them to.

Next year we will also maximise the increase in the general grant, providing a further £2.5 million to ensure that all police authorities have received that minimum increase. Again, at a time of falling public spending and challenges, which normally increase in a recession, that is a good indicator of the extra resources that are being supplied, and that at a time of falling crime.

My right hon. Friend the Secretary of State for Communities and Local Government will speak later on the implications for local government spending of police funding. However, there will also be debates and consideration about the capping action, decided in 2008-09, on Cheshire, Leicestershire and Warwickshire, in advance of the 2010-11 settlement, as a result of previous excessive increases set by those authorities. Cheshire and Leicestershire have accepted their caps, whereas Warwickshire will be debated as part of our discussions later today. However, despite those difficulties and challenges locally, there are genuine funding increases today that we should welcome.

In summary, we have positive falls in crime, record numbers of police and a commitment next year to a minimum of 2.5 per cent. for each force. That is good news at a time of recession. We are seeking greater value for money from police authorities generally, and there will be a drive next year to look at issues that we raised in the White Paper and commented on yesterday, in producing our high-level group report on value for money. We need to drive better efficiency and value in the system. We need to ensure that we reduce police overtime and look at better procurement and the better deployment of officers. However, the resource is there, and this House can commit to it today. I hope that Members in all parts of the House will commit to it, because this Government have a proud record on policing and police numbers. I want that to continue next year, and I commend the motion to the House.

1.58 pm

Mr. David Ruffley (Bury St. Edmunds) (Con): The one thing that we can agree on in this debate is that the police of this country do a difficult and usually very dangerous job. On behalf of the Opposition, I would like to pay tribute to their service. They need the resources to discharge their duties to the public in upholding law and order, which is why this debate is so important. This year's settlement is the final part of the three-year comprehensive spending review. Excluding additional grants for counter-terrorism and other specific grants, the police settlement will increase by 2.7 per cent. this year. Including specific grants, total revenue funding will also increase by 2.7 per cent.

It is worth flagging up a few issues that many outside this House, and not just police authorities, have with the distribution of the police grant. It is a complicated calculation, based, as we know, on five separate components, including the needs-based formula, or the "principal formula"; additional rule 1, which reduces grant provision for the South Wales police authority and redistributes it to other police authorities in Wales; and additional rule 2. In the past, the Home Secretary distributed specific grants such as the rural policing grant, the forensic grant and the initial police learning and development programme grant. The Home Office decision to amalgamate those grants into a single pot, so that police authorities could have more control over how those funds were used, was welcome. The Home Office also distributes specific grants for police authorities. Finally, the police grant floors are applied. I will return to that issue of scaling later.

What we do know is that this year there are 20 police authorities in total receiving the lowest increase of 2.5 per cent., including Cheshire, Gloucestershire, Lincolnshire, Suffolk, Surrey and the Met. The biggest increase in the police grant is received by the West Midlands at 3.9 per cent.

Let me go to the heart of what I took to be the political thrust of the Minister's speech. We are in a severe economic situation and it has added huge strain to already tight police budgets. In written evidence provided to the Home Affairs Committee for its report on police service strength, the Association of Police Authorities

"acknowledged the deteriorating state of public finances"

and the expected impact on police budgets. Similarly, a study undertaken by the Association of Chief Police Officers' finance and resources business area found that several forces in England and Wales—this is the crucial point that I would like the Minister to return to—were already using budget reserves to maintain front-line services.

There is increasing confusion about police officer numbers and police strength, with evidence from police forces contradicting what the Minister is asking us to believe. In research for its report into police strength, the Home Affairs Committee—I am sad that the excellent Chairman of that Committee, the right hon. Member for Leicester, East (Keith Vaz), is not here to confirm this—wrote to all police forces in England and Wales and asked them to provide information on their officer and staff numbers; crucially, likely changes to the work force during the remainder of 2009-10 and 2010-11; and the plans that the forces are putting in place in relation to staffing levels next year.

The responses were very interesting. They were clear. Just four forces anticipated maintaining staff and officer levels. Some forces had already begun to reduce officer numbers and many have plans to do so. To provide one or two examples, Humberside police force said that it was planning to cut 300 officer posts. Cumbria said that there are

"cuts likely of staff and officers".

Derbyshire said that "police staff cuts" will be likely, and Durham is planning a

"vacancy freeze on staff and officer posts".

Kent said that it had

"significant planned police staff reductions for 2009-11 to meet funding savings".

Out of 43 forces, only four said that they anticipated maintaining staffing levels.

Mr. Stewart Jackson: Are we seeing a pattern of grand promises prior to a general election that are not delivered? Does my hon. Friend remember that before the 2005 general election the Government promised 24,000 new community support officers? In fact they delivered just 16,000—8,000 short—a clear broken promise in their manifesto.

Mr. Ruffley: My hon. Friend is exactly right.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Will the hon. Gentleman give way?

Mr. Ruffley: I will in a minute.

At this stage of the Parliament, words are quite cheap. Promises are quite cheap, but the evidence that the Home Affairs Committee has given and that we all hear about is there for the Minister to confront and explain.

Mr. Hanson: Could we get down to specifics? The grant is before the House today. It increases funding by a minimum of 2.5 per cent. and overall by 2.7 per cent. If the hon. Gentleman were sitting on this Bench, what figure would he put on the grant increase over and above what we are proposing? Will he give a commitment today to do that? I do not think that he will, as his party is committed to cutting public spending.

Mr. Ruffley: The shadow Chancellor of the Exchequer has made it quite clear that we will make a decision when we write our next Budget. We are still waiting for two things. We are waiting for a Budget from this Government. Also, no CSR was put in place, even though it was open to the Government to do that.

I want to get back to the promises that the Government are making about 2010-11. The Minister has given us all sorts of blandishments about how everything will be fine and everything will be maintained, but the evidence that I have been reading out completely undermines everything that he has been saying. To make promises about what will happen in 2010-11 is impossible; the evidence shows that it is not possible. I want to hear from the Minister why he believes that this settlement will maintain what he says it will maintain, because the evidence is quite to the contrary.

Mr. Hanson: I will try again. If the hon. Gentleman has the opportunity to increase the 2010-11 settlement over and above the 2.5 per cent. to the 2.7 per cent. average, will he do that? If he were in my position now, or if he were in my position in eight or nine weeks, would he increase next year's money? We have already announced today the funding that the grant will provide.

Mr. Ruffley: I think that the shadow Chancellor has made the position entirely clear, and we will present a Budget should we be in a position to do so, but I still do not think that the Minister has explained why all these authorities that we have talked about—including Humberside, Cumbria, Derbyshire—are saying that there will be a cut in police strength. It flies in the face of what the Minister has been promising.

Ms Buck: Will the hon. Gentleman give way?

Mr. Ruffley: In a minute.

I want to test further what the Government are saying will happen in 2010-11 on the basis of the grant settlement. I was troubled by what the Chancellor said in his statement on the pre-Budget report, because it does not make sense to a lot of those in the police service. He said:

"I am today able to offer...sufficient funding to maintain the number of police and community support officers. That means that I can confirm not just that we will increase spending as planned next year on hospitals, schools and policing, but we can pledge that spending on these crucial front-line services will continue to rise over and above inflation after 2010-11".—[*Official Report*, 9 December 2009; Vol. 502, c. 370-1.]

The evidence from the Home Affairs Committee clearly shows that police forces around the country have, or are preparing to, cut the number of staff and officers. I am amazed that the Minister does not have an answer to that. Can he please tell us how this Government are planning on, as he claims, guaranteeing police officer numbers when we do not have any details on police

[Mr. Ruffley]

budgets after 2011? Crucially, can he tell us how he defines front-line policing services, because those were the words that slipped into the Chancellor's pre-Budget report? If the Minister is defending that, what is the definition of front-line policing services? It cannot mean police strength because police authorities have already told the Home Affairs Committee that those numbers are being cut and will be cut. It is a total mystery to me what protecting front-line policing services means in that context.

Judy Mallaber (Amber Valley) (Lab): Derbyshire police have far more police officers and PCSOs than when I was elected in 1997, but we have continually argued that we should move more quickly towards where Derbyshire police should be compared with other authorities. They cannot do it too quickly because other authorities' budgets would be cut—that is the floors and ceilings argument. Is the Conservative party able to give me an assurance now that, if it were in power, Derbyshire would immediately go to its right level, without cutting other police services?

Mr. Ruffley: I will come on to the point about floors later, so perhaps the hon. Lady will intervene again and I will answer her then, if she will forgive me.

Ms Buck: The hon. Gentleman did not mention in his list the largest police authority—that of London. What advice is he giving to his friend, the Mayor of London, whose draft budget includes a provision for a cut of 455 police officers? If we take into account the four budgets for which the Mayor will have been responsible, it works out at a net reduction in police officers by just over 100, I believe. This is taking place at a time when much is being made about the freezing of precept, so how does the hon. Gentleman advise the Mayor to proceed?

Mr. Ruffley: Let us first make it clear and put on the record what the Minister is saying about defending police officer numbers. As I say, he talks about protecting front-line policing services, so will the Minister give us a definition of that when he concludes the debate?

The plot thickens, because two newspapers today report that the Association of Chief Police Officers has drawn up proposals to cut 28,000 officers and replace them with civilian staff. Part of the leaked report, as reported this morning, says:

"As a result of a variety of approaches to modernisation, in the case of the most mixed forces there are over 50 per cent. staff. If all forces were to mirror that position... this would result in a more diverse workforce but with approximately 28,000 fewer officers and with savings in the region of £400 million".

Will the Minister confirm that? Has he commissioned that work? Is he aware of it?

Mr. Hanson: I can tell the hon. Gentleman that that document has no locus for the Government and it has not been commissioned by Government Ministers or the Home Office, and it does not have the support of ACPO. It is an explanatory document presenting options that have not been endorsed and are not being endorsed either by ACPO or the Government.

Mr. Ruffley: May I take it that the Minister does not endorse that report, that he refutes it and that it will not be part of his policy?

Mr. Hanson: Yes.

Mr. Ruffley: He may not have the chance for it to become part of his policy in a few weeks' time, so that might be why he is so confident in making that assertion. Unfortunately, the Government's decision not to hold a comprehensive spending review that would detail proposed expenditure over a three-year period underscores that fact that they have no confidence in their rather woolly guarantees made in the pre-Budget report and repeated by the Minister today.

Surely one of the key parts of policing—ensuring that we have their presence on the street—involves the amount of time officers spend on patrol. It would be fair to say that the figures on the amount of time police spend on the beat have fallen under this Administration. According to the Government's own latest figures, the amount of time a patrol officer spends on patrol has fallen from 19.1 per cent. in 2004-05 to an even lower 17.8 per cent. in 2007-08. Jan Berry, the Government's police bureaucracy tsar, when asked whether officers were spending more time on patrol now than two years ago said:

"If you talk to police officers they would say it has remained the same or got slightly worse",

and she went on to point out, in what I take to be a real indictment, that only one of the 33 proposals to reduce bureaucracy in the final Flanagan review of February 2008, had been implemented.

Keith Vaz (Leicester, East) (Lab): I apologise for missing the beginning of the hon. Gentleman's speech and, of course, the Minister's. I was attending another engagement, as I shall explain later if I can catch Mr. Deputy Speaker's eye.

Good practice is an issue raised in a number of Select Committee reports. If there is good practice in one area, it is important to ensure that it is translated into other areas. Should we look to organisations such as the National Policing Improvement Agency to ensure that this kind of efficiency is delivered to the police service, as in the end, that will also save a great deal of taxpayers' money?

Mr. Ruffley: I am grateful to the right hon. Gentleman. We had a discussion about one bit of good practice—the four pilots for lighter and more nimble recording practice. I remember that when we discussed it in July, I asked the right hon. Gentleman how many forces had adopted this pilot of slimline recording, which was happening in the West Midlands, Staffordshire, Surrey and Leicestershire, but he did not know. He said that I had asked a good question, but I thought it notable that he, the Chairman of the Home Affairs Committee, was unaware of how far this practice had been rolled out and adopted. I am sure that the Minister would agree that there is a need for some direction from the centre on certain issues. This provides one tangible example of bureaucracy reduction that has not been driven forward and has not delivered the gains that it could have. As the shadow Home Secretary has said, we intend to make this one of our priorities.

Making better use of resources is at the heart of the grant settlement before us. All police authorities understand that they need to get more from less. Police authorities should be encouraged to find savings in back-office and

procurement, and release them for use on the front line. We all agree on that. Why, however, has the Minister not used the powers in the Policing and Crime Act 2009, which gave the Home Secretary powers to mandate collaboration on areas of procurement—both information technology and non-IT procurement—that could yield efficiency savings? Powers to mandate have been available for a few months now, so can the Minister tell us whether he is contemplating use of any of these mandated powers to squeeze more efficiencies out of the system? If not, why not? The Minister has cheerfully spoken about the prospects of another Labour Government and how 2010-11 will be all sweetness and light, but if he is going to make promises about spending, will he tell us what he intends about mandation and squeezing more bang for the buck?

On the police grant formula, I have received many representations recently regarding the operation of police grant floors and I would like to raise one or two of them with the Minister. As written evidence to the Home Affairs Select Committee has highlighted, because of the operation of scaling and floors, forces such as Hampshire receive £1.5 million less than they should under the principal needs formula. Similarly, I have received extensive representations from Derbyshire police authority and constabulary, as due to the cost of providing floor protection within the funding formula, they lose out to the tune of £5 million a year. I could cite many other examples and I am sure that hon. Members from all parties could provide their own for me and the Minister.

We welcomed the removal of the ceiling that the then Minister with responsibility for crime and policing announced in 2008. In that debate, the Minister said that

"we were able this year at least to announce a settlement that had no ceiling. Some progress has therefore been made towards the formula and I hope that, in the coming years, it will continue, if not accelerate somewhat."—[*Official Report*, 4 February 2008; Vol. 471, c. 673.]

Will the present Minister be more precise and give us an update from that statement of two years ago?

It is quite clear that we need to move towards applying the needs-based formula more purely. There is a need for that to happen, and I think that all Members will see the sense of that. Sir Ronnie Flanagan, in his final report into the future of policing—it was essentially about bureaucracy, but he understood how resourcing impacted on that—said of grant floors that

"if we are to get the best performance return for our investment over the lean times ahead, we must start to deal with these anomalies."

He went on to suggest:

"I think it prudent that, from that point on, there should be a staged relaxation of the 'floors and ceilings'—

well, the ceilings bit has been dealt with—

"which dampen changes in allocations, possibly combined with special consideration for those few Forces which would face the most significant reductions in funding."

The Home Affairs Committee confirmed that by saying:

"we support Sir Ronnie Flanagan's recommendation for full application of the police funding formula at the next Spending Review."

We did not get the next spending review, because the Government funked that rather significant policy and political challenge. Today I give the Minister an opportunity to atone for the Government's sins, and to say "All right, we did not carry out the CSR, but we will give some indication"—an update on the statement given two years ago by his right hon. Friend the Member for Harrow, East (Mr. McNulty)—"of the stage that we have reached in regard to the future of floors and the full application of the police funding formula."

I look forward to the Minister's response. Given that he has been specific about some of what will allegedly happen to police strength in 2010-11, I think it important for him to be a bit more specific about the future of the floors that constitute the basis of the document before us.

Judy Mallaber: The hon. Gentleman invited me earlier to ask my question again when he reached this point in his speech. I am sure my constituents would be very interested to know how long it would take his party—if it unfortunately came to office—to restore the level of the grant funding formula that has been agreed, whether that could be done only at the expense of either other police services or some other budget elsewhere, and which budget might be affected.

Mr. Ruffley: I think the hon. Lady is putting her question to the wrong person. I put the same question to the Minister when I asked him whether certain factors would be taken into account, as Sir Ronnie Flanagan had suggested, to prevent there being significant losers. The Minister should also tell us what stage he has reached in the review of the regime that he says he is conducting. The last statement that said anything was given to us two years ago, and it would be useful to have some specificity. I hope that when he has answered that question, the hon. Lady will be able to ask her own question again.

The fire and rescue authorities' grant floors have been lowered for 2010-11. Has the Minister examined the impact that those significant future changes have had on the finances of different authorities, and does he think we can draw any lessons from them? He is the Minister in charge, and he is doing the technical work. We should like to hear about it.

This country is in dire financial straits. Let us not forget that this Government, not any other Government, are responsible for the mess that we are in. We know why, and the British people know why. Given the additional pressures from the economic collapse over which the Government have presided and which the country is experiencing, police authorities—as they have told the Home Affairs Committee—already face projected cuts, and are now planning for cuts in police strength. Can the Minister please tell us why that is, and why it conflicts so obviously with the rosy picture of the grant settlement that he has painted here today? The two simply cannot be squared.

There is also concern about funding formula changes. I think it incumbent on the Minister, in a debate on police grant, to tell us exactly what stage, in technical terms, the review of police funding arrangements has reached in the Home Office. I think that not only the House but the country deserves an answer to those two questions.

2.24 pm

Mr. Tony McNulty (Harrow, East) (Lab): It is important for us to take the police, and police finance, extremely seriously. I do not think that that has happened of late.

[Mr. Tony McNulty]

certainly on the Opposition Benches. I said two years ago—the hon. Member for Bury St. Edmunds (Mr. Ruffley) quoted me without mentioning me—that I believed that the time had come for a proper and substantial review of the way in which we funded our police. If we are serious about localism—which I do not think many Members are, on either side of the House—we have, in the funding of the police, the perfect model of what might be called transactional politics.

Even as Policing Minister I opposed the capping of police authorities—not local government—and I still do, because it offends against the localism to which I have referred. We saw that in London for the four years during which Ken Livingstone said, very clearly, "I will put x per cent. on your per cent. precept, and this is what you will get for it in the end. You will get a team of six—one sergeant, two constables and three police community support officers—in every ward in London." I shall say more about London later. People bought that, and it was delivered. We thought that it was sacrosanct. I shall say more about that as well.

I take on board what the hon. Member for Bury St. Edmunds said about the formula, and I welcome what my right hon. Friend the Minister has done in that regard, but in my opinion it is time for a fundamental rethink—locally based—of the funding of police forces. As I think I said from the Dispatch Box when I was a Minister, it cannot be right for the amount offered locally to the overall resource base of police forces to range from—I hope the House will forgive me for using old figures—some 18 per cent. in Northumbria to well over 55 per cent. in Surrey when the two areas are providing essentially the same service. It cannot be right that the precept at that time—again, I hope the House will forgive me for not using up-to-date figures—ranged from about £80 to the best part of £250 or £260 per head, or even more. Of eourse policing in Surrey is different from policing in Northumbria—if it were not, there would be a national police force—but such local vagaries should not obstruct the provision of a more universal and fairer system that is much more locally based in terms of contribution. I mean that in an entirely non-partisan sense.

Mr. Mark Todd (South Derbyshire) (Lab): My right hon. Friend is making an adult speech on a difficult subject. Will he bring within his compass the issues of how the precept is determined and the role of capping? One worry is that when a local community is consulted widely on what would seem an appropriate precept which has gained a good deal of assent, as has happened in Derbyshire, the Government nevertheless intervene and impose an artificial cap on the precept that may be levied. Would it not be reasonable to recognise some freedom in that respect as well?

Mr. McNulty: I am sorry that I did not make myself clear to my hon. Friend. As I may have said more gently when I was Policing Minister but will say more vocally now, I do not consider that capping figures at all, or should figure, in my little purview or compass. We are talking about a unique relationship: a potentially transactional relationship. To say "The police authority will do x with y increase in, for instance, capital or police numbers, and it will cost you, the public, y" is pure transactionalism, and need not involve capping.

Mr. Humfrey Malins (Woking) (Con): I am grateful to the right hon. Gentleman—who, if I may say so, was a very good Minister—for mentioning Surrey. As he will know, Surrey taxpayers contribute up to 50 per cent. of policing costs. That is a terribly high percentage, and capping caused those taxpayers a great deal of difficulty. Unless I misunderstood the right hon. Gentleman, he seemed to be showing some sympathy for Surrey. I only hope that his right hon. Friend the Minister will accept words from him that he might not accept from me.

Mr. McNulty: Of course the hon. Gentleman may say what he said about what I was like as a Minister.

I am talking about where we need to go, rather than about the existing circumstances. To be fair to myself—if that is possible—I think that I said much of this from the Dispatch Box during the debate that was mentioned earlier. I believe that there needs to be a collective will and consensus.

As I said earlier, there needs to be some seriousness in the debate about police grant and resources, and all the issues that surround that subject, if we are to do right by the public. Let me give an example that is relevant to resources. Back in 2005 we decided, rightly, that there were serious problems with the data relating to violent crime. We consulted widely on that, and a cross-party panel looked at the detail and arrived at some conclusions. The upshot was, in essence, that it was thought that the way in which violent crime data are assessed and collected should be changed so that, instead of having just the standard police definitions, the victim's own thoughts on the level of the violence of the crime were at least taken into account. We therefore changed those definitions, which I think was rather brave, although we could perhaps have gone further.

As a result, all subsequent data on violent crime are substantively different, and that, of course, has implications for the measurement of the performance of police forces. It is, therefore, frankly not on for the boss of the hon. Member for Bury St. Edmunds—the hon. Member for Epsom and Ewell (Chris Grayling)—to compare the new violent crime figures with the old ones, and to do so in such a distorted and disingenuous fashion. I was going to say "mendacious", but I suspect that that word is on the list of non-parliamentary language. This airbrushing of statistics does the hon. Gentleman and his party no credit, and, more importantly, it serves to distract from the reality the Government were trying to get through to by changing the statistics in the first place.

Judy Mallaber: Is my right hon. Friend aware that our chief constable in Derbyshire has in the past had to disavow newsletters put out by the Conservative party, because they included misleading crime statistics? Does my right hon. Friend also share my concern that the police feel that they are forced into such a position? They should not be put in such positions, because nobody should play around with crime statistics. Indeed, our chief constable has begged for games not be played with statistics.

Mr. McNulty: That is absolutely and entirely right, and it is to the Conservatives' shame that they have played around with the statistics. It is not enough for the hon. Member for Epsom and Ewell to say, as he did on the "Today" programme this morning:

"There are certainly changes in the reporting methods".

Well, I am not sure whether I should congratulate him on spotting that, because the changes have been quite significant. He continued by saying that

"the point is that they are the only comparators available."

That is nonsense. Comparing the previous figures with the current figures is like comparing apples with oranges. If the upshot of the changes was that we had somehow, through sleight of hand, hidden the extent of violent crime, I could understand the hon. Gentleman's point, but violent crime rose by 35 per cent. because of the adjustments, as—it is to be hoped—we were now measuring it in a far more accurate and victim-centred way. The Government, and all political parties, should be given great credit when they use such data in public forums.

Mr. Stewart Jackson: I was just beginning to warm to the right hon. Gentleman in his role as bipartisan statesman speaking for all of us when, in the past few minutes, he started to become over-partisan. To revert to the bipartisan tone, does he agree that the floors and ceilings mechanism is a very blunt instrument that fails to take into account—I am sure he will concede that it failed to do so when he was Police Minister, as well as now—specific issues such as population change, the recording of population numbers and, particularly in Cambridgeshire, tourism? We need to go back to square one in reviewing the funding formula, because not all of the 40-odd force areas can possibly be the same in key aspects such as urban population and rurality. I invite him to conclude that this Government have not looked at that pressing issue with the appropriate alacrity.

Mr. McNulty: On the first part of that intervention, the hon. Gentleman misses the point entirely. I am not trying to be partisan. As I have said, the criteria for the figures were determined by a cross-party panel, and we deliberately changed the entire definition of violent crime. Given that there was broad agreement on that, it is incumbent upon all of us to use the new figures appropriately and not to compare them with the previous figures—and nor, frankly, to shroud-wave and scaremonger to the public in the disgraceful way that the hon. Member for Epsom and Ewell has done.

The other points that the hon. Member for Peterborough (Mr. Jackson) made were precisely the points that I was making. When I was Police Minister, I clearly did not succeed in everything I did. If I had, the formula would not be quite as it currently is and more of the contribution would be local. Although, of course, we will never reach the stage when the entire police budget comes from local sources, because of the transactional nature of policing and police authorities, we have to move to a system beyond the current formula.

The hon. Gentleman is also wrong on another point: the needs-based formula we have is far more responsive to the factors he mentioned than the system prior to 1997. I agree, however, with his broader point about the Government in general not responding to changes on the ground as quickly as they might—and that will not change if, heaven forbid, the colour of the Government changes—and about how that links in with various formulae allocations not being as they should be. That is in part because the creaky old Whitehall machinery is not responsive enough to the massive and almost instant changes that are happening in Peterborough and elsewhere; changes that used to take five or 10 years to happen fully now happen in three or six months.

Mr. Brian Binley (Northampton, South) (Con): I congratulate the right hon. Gentleman on making such sensible arguments about formula funding, but he talked about the needs-based formula and the truth is that that formula is still too crude. I hope that he will at least go along with me on that. In Northamptonshire, we are simply not getting the money that the needs-based formula suggests we need.

Mr. McNulty: I accept that, and the hon. Gentleman is, in a different way, putting the point about floors and ceilings again. However, considerable progress has been made over the past 10 to 13 years in the allocation of resources and in trying to reflect the needs of local areas. I think we should go further on that, of course, and we could, and should, do that on a cross-party basis in future.

Whatever the difficulties in terms of police authorities, the Opposition are in a state of confusion about the notion of having elected police commissioners. If that were in place now, we would be in considerable difficulty, because, effectively, the person whom the hon. Member for Epsom and Ewell has ordained as the role model for elected police commissioners has just walked off the pitch. The Mayor of London has just said, "I don't like this any more. It is too tough. I cannot be bothered being chair of the Metropolitan Police Authority." He said in his manifesto, no less—*[Interruption.]* I would like Members to listen to this, and I apologise for being metro-centric, but that is just the way I am. *[Interruption.]* I said "metro-centric", not "metro" something else. In his manifesto, the future Mayor said:

"It is important for the Mayor to take a public lead, so I will chair the Metropolitan Police Authority. I will take personal responsibility. No offence will be too trivial to demand my attention. No challenge will be so big that I shrug my shoulders and pass the buck."

What has he done just last week, however? He has shrugged his shoulders, passed the buck, and said to himself, "I know what I'll do; as £140,000 is not enough, I will write another column for *The Daily Telegraph* for £250,000." He can afford the time to do that, therefore. In the same week that he gave up the chairmanship of the MPA, he also said, "Think green, vote blue" and "I can't be bothered with the London waste authority either." The chairmanship of that is in the Mayor's gift, but he cannot be bothered to do that either.

The hon. Member for Epsom and Ewell needs to think about this idea of elected police commissioners. It is terribly badly thought through, and he has managed to do something I could not do in two and a half years in ministerial office: unite the police world against him. The idea must be wrong in some aspects, therefore. I accept and concede that when I was a Home Office [illegible] we discussed these issues and agreed that there was something lacking in terms of accountability, but elected police commissioners are not the way to address that. That is a mad idea.

I have said in a London context that there must be some way in which local councils can more readily hold to account their borough commander for local policing, and that that is not captured through the MPA structures. That issue is complicated in London because the Met does so much nationally as well. We were also told by the Mayor that he would spend less on press officers and redirect more resources to front-line policing. How many fewer press officers are there now than when

[Mr. McNulty]

Mr. Johnson came into office? What is the difference between his quota of press officers and Ken Livingstone's? None: the number has not changed at all. Someone who does the counting right might be able to say that Mr. Johnson has saved 0.5 of a press officer post and that is it. We were told in fluid style during the campaign that he would cut the number of press officers and that that would fund four new rape crisis centres, which, as the police and everybody fully accept, are needed. Have they happened? No. We have one such centre—some might say that we have one and a half, but barely so—and by the end of his term two will be completed. Promises that were made barely two years ago have not been delivered, to the consequence of London. In this context, the only new money—additional money—that London will get this year is the 2.7 per cent. for the next two years that the Minister announced among other things today.

Ms Buck: Does my right hon. Friend also recall the pledges made about the young Londoners fund, the youth charity and the colleges and training for young people that were supposed to be set up as part of the drive to tackle gang violence and youth crime? Can he shed any light on what has happened to any of those commitments over the past two years?

Mr. McNulty: We could look and shed as much light as we want, but we would find that the answer is nothing, even if we throw in the Mayor's fund and all sorts of things. The crucial thing given London's unique structures—the unique structures that the police authority introduced in London and that Mr. Johnson took over two years ago—is that we were told that London was the crucible. Someone who wanted to see how a future Conservative Government would work in this country was told to look to London. People in London are doing so, which is why, irrespective of whether the count is done on Thursday night or Friday night, Conservative Members might wish to look with interest at how some of the London results go.

Policing is far too important for what the Mayor is doing. There are to be 455 fewer police officers over the next three years, despite his promise that there would be more and that tackling crime was to be central to all that he does. He promised that he would spend more on the police, but for the first time since the inception of the Greater London authority, this year and next year the police budget will decrease. It would decrease by significantly more if it were not for the generosity of the Minister. The only two times that there have been cuts in the level of council tax for police services since the beginning of the GLA are the two years of Boris Johnson, and that is not good enough. He also said, as part of his anti-bureaucratic sway, that the Metropolitan Police Service was fat on reserves and that he would strip out the reserves to the bare minimum and spend the money on front-line policing or in other ways—I believe he cited 26,000 hand-held scanners in his manifesto. However, the MPS reserves, which are preciously needed given the way he is starving them, have increased, rather than otherwise. Again, that is to his shame. Why does that matter? It matters because in each of London's 32 boroughs policing is central to the welfare and security of each of our local communities. Harrow is a relatively safe borough; there has been an excellent roll-out of safer neighbourhood policing and its police are under the excellent leadership of Chief Superintendent Dal Babu, who is doing a very good job.

Mr. Hanson: I am interested in how these "facts" are coming about, given that we are providing an extra £49.4 million to London next year.

Mr. McNulty: Because Boris Johnson is not; because crucially, Ken clearly said to the electorate during his four years, "I am increasing the police precept for London by x and here is what you are going to get for it in terms of safer neighbourhood teams." Boris has said to people—again this is typical flim-flam—that he is going to freeze the GLA precept, but he has told them nothing about the consequences of that, especially for the Metropolitan police. My right hon. Friend rightly points out that the only moneys that Harrow and elsewhere in London are getting that are new in any way, shape or form are coming from central Government and the settlement that we are discussing today, which the hon. Member for Bury St. Edmunds so blithely dismisses in the same way as he done for the past three and a half years—it could have been the same speech.

This matters, especially in respect of capital, because my right hon. Friend is announcing significant millions more in capital for London. Boris intimated, at least when he was in campaign mode, that the new police station that Harrow needs, as opposed to what it has in south Harrow, will be built. That proposal has been scrapped. Any notion of significant growth in the capital spend for London has been scrapped, and that matters throughout London, because if the custody suites are not in the right place, more policemen and women are driving around London looking for somewhere to put the people that they have in the back of their cars. It matters, in terms of rolling out safer neighbourhood teams properly, that they have a base out in the communities, rather than in Fort Apache-style police stations.

I really fear a mix involving playing politics on the data—shame on the hon. Member for Epsom and Ewell, who is at it yet again. As I said the last time I was on my feet in this House, I would not get a route map to the Home Office if I were him, because I do not think he is going to end up there, even in the stark, worrying times that would arrive if the Conservative party got into power. This matters because when someone plays politics with police resources and policing policy, they play politics with people's lives in a way that is unforgivable. It is easy to get on a soap box and scare people. I say very clearly that Harrow is one of the safest boroughs in London, not least because of the investment that has been made during the past 10 to 13 years and because of what Ken Livingstone did as Mayor on rolling out safer neighbourhood teams. I want it to stay that way.

My biggest fear is that through Boris Johnson's rank incompetence, the Metropolitan police will, because such a large budget is involved, have to start to make cuts by picking into either the specialist squads to tackle fraud, rape and a series of other very important pan-London issues or the safer neighbourhood teams. If the lasting legacy of Boris Johnson's mayoralty is the unpicking of the settlement on safer neighbourhood teams throughout London, that would be to his shame. We have made significant progress on policing in London, and nationwide. For that to continue, the hon. Member

for Bury St. Edmunds needs to get off the soap box and join a cross-party initiative to put policing at the centre of what our politics—rather than our partisan politics—is about.

2.47 pm

Paul Holmes (Chesterfield) (LD): As we have heard, this is the third year of a three-year settlement and, as such, it holds no surprises. The Government deserve to be congratulated on the introduction of the three-year process, which applies across all sorts of areas, not just to policing. It makes budgeting for local authorities, schools, hospitals and all sorts of organisations far more effective than the old 12-month, short-termism that meant that no effective planning could be done. It has been a step forward.

Given that this is the third year of the settlement and there are no surprises, much of what we said in the debates on the police grant report last year and the year before still stands; having looked back on those two debates, it appears to me that we said the same thing almost word for word. Most of it does not need repeating, but some of it does. This three-year settlement was the tightest for a decade, but it was still quite reasonable. The great fear now is about what will happen for the next three year period—2011 to 2014. The pre-Budget report estimated a 0.8 per cent. fall in funding for the police from 2011 to 2014, but that is entirely unbelievable. Sir Hugh Orde, the president of the Association of Chief Police Officers, has said:

"I can confidently predict cuts in police budgets of 10 to 20 per cent. over the next few years."

That is probably a much more realistic figure. Interestingly, two university vice-chancellors from my region said at a meeting in this place last night that they had been told by contacts in the Treasury to expect similar cuts in their university budgets. The pre-Budget report estimates a 0.8 per cent. cut in the next three years, whereas Sir Hugh Orde much more realistically estimates a cut of between 10 and 20 per cent.

Such a cut will occur at a time when the police numbers are starting to fall. Figures published this week showed that, in six out of 10 police forces, numbers, which had reached a record high, were starting to drift downwards; ACPO notes that many forces are already freezing posts in anticipation of what is to come next year and in subsequent years. Today's edition of *The Independent* contained a report on precisely this in which it said that it has

"learnt that about 2,000 would-be officers were recruited by the Metropolitan Police during...January 2009 and told that they would start their training in spring last year.

Now, despite passing exams and interviews, the successful candidates have received letters informing them that they will not be offered a start date until 2011 at the earliest—almost two years later than they were led to believe."

That is happening across England and Wales.

For example, in Gloucestershire nearly 100 candidates who were recruited have been told that it has been deferred until 2011, possibly later. Similarly, 240 candidates for the West Midlands police have gone through all the stages of the recruitment process only to be told recently that their recruitment has been deferred. Cleveland police had 102 successful recruits treated in exactly the same way, and Cumbria had 59 so treated. That same practice has also happened in Greater Manchester and Hampshire—it is happening across the country. Fears about what cuts are to come are already having an effect, in that police forces are freezing and postponing recruitment. As I have said, numbers are already falling in six out of 10 forces.

Such cuts, should they snowball and continue in the next year or two, will be a tragedy. The Association of Police Authorities said of this grant:

"The provision of effective adequately resourced policing is one of the Government's primary responsibilities in a developed civil society."

In the past few years, such provision has been used to very good effect in the redevelopment of neighbourhood policing, or beat policing as it used to be called. In the 1980s and 1990s, the Conservatives in government slashed police numbers, and one of their defences was that beat police were old-fashioned and out of date, that they did not work, that they were ineffective, that they did not stop crime and that they did not catch criminals—so it did not matter that police numbers were being hit so drastically.

At the very first, when this new Labour Administration came in in 1997, they deployed the same argument for a brief period. They quickly came round to accept, however, that neighbourhood policing is one of the most effective forms of policing. Of course, we have the headline policing issues, such as terrorism, serious crime, bank robberies and so on, but, as the chief constable of Derbyshire—the one who has retired, not the one who is in office now—said some years ago, when he looked at the figures every year, of all the issues and complaints that people in Derbyshire raised, serious crime accounted for only a tiny percentage of them. In their day-to-day lives, people were complaining about, fearful and being bothered by the issues that are relatively low level—vandalism, antisocial behaviour, car theft, burglaries and local drug dealing—when compared with issues such as terrorism.

Mr. Hanson: I am grateful to the hon. Gentleman for giving way. He will know that the settlement before the House gives an increase of £259 million to police forces for 2010-11 over that in 2009-10. To help frame the debate, will he tell me how much more than that £259 million the Liberal Democrats believe we should give to police forces next year?

Paul Holmes: The Liberal Democrats have clearly said that we would divert money by abandoning particular Government programmes—identity cards have been a long-standing option. At one time, based on the original grandiose costings for ID cards, that would have paid for up to 10,000 extra police. Now the figure is about 3,000. That answer has been given and published before.

After a short interim period back in 1997, the Government accepted that neighbourhood policing was effective and one of the No. 1 issues that the population of this country was concerned about—it still is to this day. The expansion of neighbourhood policing beat teams has been very effective. We should remember, however, that some of the glowing headlines that Ministers often tell us about are not the same all over the country. We have heard about the situation in London where, because of the combination of a London system that can raise the police precept without its being capped by the Government and that can put that money into the

[Paul Holmes]

police force along with the receipt of money from the Government—this is a situation that we often hear boasted about—every local authority ward will have a neighbourhood team of six, made up of a combination of officers and police community support officers. That is very effective—I see it, living in London as I do for three or three and a half days a week when Parliament is in Session. However, that is not true in the bulk of the country.

Many hon. Members would make that point. For example, my hon. Friend the Member for Cheadle (Mark Hunter) has long campaigned on the fact that his area, Stockport, and Greater Manchester in general cannot remotely approach the levels of neighbourhood policing that we see in the London wards. My hon. Friend the Member for Bristol, West (Stephen Williams) has long campaigned on the fact that Bristol, compared with other comparable cities, has one of the lowest ratios of police officers for neighbourhood policing and for all kinds of policing. There are huge disparities. Exactly the same is true of Chesterfield and Derbyshire—those aspirations of six officers dedicated to a team for each local government ward are a pipe dream in many parts of the country. If that is the situation that we have reached at the peak of success and investment, what is going to happen as things start to get worse?

Only two weeks ago, I was talking to the beat team in an area called Loundsley Green in my constituency. One of the police officers had been assigned to such things as the police response cars for 17 years and had now switched to beat policing and neighbourhood policing. He said that it was by far the most successful and rewarding part of police work in which he had ever taken part. Instead of rushing to one emergency and spending as little time as possible there before rushing off in the car to the next and then to the next, he was able to get to grips with local issues and to follow up local miscreants. He was able to get to know them, their parents and the people involved and to follow their cases up effectively over a period of time. He could really feel that he was making a huge difference to policing, community safety and community consciousness in that area. It would be a great shame to see that undermined in years to come, but that is the danger.

If police numbers are at a high and are just starting to fall from that high, is there a danger that they could start to plummet very quickly? The chief constable of Bedfordshire has pointed out that police numbers depend not so much on the core police grant, for which we get funding for the three-year rolling cycle that we are discussing today, but on special grant funded allocations. That is the case for PCSOs, in general, but it also applies to all sorts of policing.

The special grant funded allocations are just the sort of thing on which the plug could be pulled next year, the year after or the year after that. A Government could boast that they were maintaining core funding, with little change, but could pull the plug on the special grant funded allocations. We would then see a drastic reduction in police numbers.

Mr. McNulty: I thank the hon. Gentleman for giving way. I am not clear about this point. Have the Liberal Democrats said in terms whether they would commit to the neighbourhood police fund—the fund that supports the 14,000 PCSOs—or whether they would un-ring-fence it? I meant to try to ask the hon. Member for Bury St. Edmunds (Mr. Ruffley) that—I believe that the Conservative line is that they will un-ring-fence that money, with all that means for neighbourhood policing. Have the Liberal Democrats come to a settled view on that yet?

Paul Holmes: We would have to ask our gurus, such as my hon. Friend the Member for Twickenham (Dr. Cable), about that specific point. In the long-term, following exactly the theme that the right hon. Member for Harrow, East (Mr. McNulty) was talking about earlier, we would look to transfer most of the control and funding of and fundraising through local precepts for policing to local communities. It would be their decision, along with duly elected police authorities, what to do with that, how to do that and what the priorities were. As was correctly pointed out by the right hon. Gentleman earlier, the policing requirements in an area of inner London can be very different from those in a rural area, a shire area, a small town such as Chesterfield and so on.

If the special grant funded allocations were to be withdrawn in years to come, we would see a dramatic drop in police numbers, even though core funding was, on the face of it, being maintained. As the chief constable of Manchester has pointed out, one cannot rely, as people sometimes suggest, on special constables. They do a fantastic job—I have been out many times with special constables in Chesterfield—but, as the chief constable of Manchester pointed out, they are volunteers. Special constables cannot be ordered to be on duty on a certain day or evening at a certain time. They can be asked or persuaded and both they and their goodwill can be relied on, but they cannot be ordered. We cannot guarantee policing on that basis. They are a fantastic supplement to what the police do and what they provide, but they are no alternative and they are certainly not a free, cheap and easy alternative. We must consider how we will maintain numbers in the future.

One of the alarming factors underneath what looks like a relatively rosy picture is the fact that police numbers in forces around the country have been maintained through the use of dwindling reserves. That has certainly been true in Derbyshire. Derbyshire has features of its own that have been mentioned and to which I shall return, but over the past few years it has considerably run down its reserves in order to maintain and expand police numbers because of the lack of appropriate funding from central Government and because of the threat of council tax capping, which has stopped it using that option to fund police numbers. However, reserves can only be used for so long before they have gone. Quite a number of police forces tell us that they are approaching the point at which they will no longer be able to dip into reserves to plug those manning gaps. Again, we could be approaching the edge of a precipice if special grants disappear and reserves are running out. If we do not have the alternative that the right hon. Member for Harrow, East rightly discussed in considerable detail, and if we maintain the capping regime whereby the Government tell local authorities and, as in this case, police authorities, that they can increase their precept only by a specified amount, or not at all—there are suggestions that council tax might be entirely frozen for a while in the future, which means that there will be

cuts—where will the police and local communities turn to? Will police numbers and the services that the police provide simply drop dramatically?

As a few hon. Members have already pointed out, surveys by MORI and other organisations have all come up with the same message—local people would be willing to pay 10 to 30 per cent more on their police precept if they could see a direct link between that money and local policing. A lengthy, in-depth consultation by Derbyshire police authority over two or three years reached a similar conclusion. People do not want that money to go to someone in London who will then hand it back out in grants that may or may not come back to Derbyshire, for example. They want it to go to their police authority to spend on policing the streets in their towns and villages, but the Government say that they will not allow that to happen and they have capped authorities. We heard about capping earlier. In Derbyshire, last year, there was not an outright cap but what happened was effectively the same. The Government said, "We are not going to cap you and make you re-bill, but we will reduce your grant by the amount that you raised by increasing the precept by more than we thought that you should." So, this year that police authority is faced with an effective cap, even though it has been given a different name.

We are told that efficiency savings are the new solution. Back in the 1980s and 1990s, the Conservative Government used "efficiency savings" as a euphemism for the massive cuts that they imposed in most sectors, including policing and education, in which I worked. We must conclude that this Government's use of the same term will amount to much the same thing. Several points need to be made about that. First, if one says that there are large efficiency savings to be made in the way that our police authorities should be run in the next year or two, it implies that there is a lot of waste—a lot of fat or flab—in the system that could be removed, so that that money could be spent on proper policing. I cannot speak for other police forces, but I know that that is not true of the Derbyshire police, who have had to make as many efficiency savings as possible in the past few years because of Government underfunding. There are few efficiency gains left to be made in that force, so the idea that there is a lot of flab to be cut so that money can be recycled is a dangerous one, especially given that police authorities cumulatively have made £2 billion-worth of efficiency savings in the past 10 years. How much more can they do?

Mr. McNulty: I take those points in part, but does the hon. Gentleman recognise that the five east midlands police authorities and forces have collaborated significantly since the denouement of the merger debate? The efficiency savings that they are making are real, and that money is being transferred to the front line.

Paul Holmes: Yes, the authorities have made great steps forward in that regard. Some criticisms have been levelled about police forces not collaborating, but the Derbyshire police authority always says that that is not true of the east midlands forces, and points to what successful collaboration there has been. It is also looking at further collaboration, so there are things that can be done. However, if £2 billion-worth of cumulative efficiency savings have already been made across police authorities—percentage-wise, the saving in Derbyshire will have been higher than in other areas because it has had to make savings as a result of being underfunded by £5 million a year—how much more flab can be cut? How many more resources can be redirected into front-line policing? Given that 88 per cent. of police budgets are staffing costs, a demand for more and more efficiency savings must mean much more civilianisation, which has already gone on apace. How much further can authorities go without taking real police off the streets? Alternatively, efficiency savings will mean a loss of uniformed officer numbers, so the phrase "efficiency savings" is a euphemism for cuts.

Mr. Bisby: Will the hon. Gentleman take into account that it is estimated that in the east midlands we have lost £60 million in the past three years as a result of the damping arrangements and other such measures? That is the equivalent of 600 police officers.

Paul Holmes: Absolutely. In Derbyshire alone, the loss is equivalent to 160 police officers. If we add the losses across the east midlands, we arrive at the figure that the hon. Gentleman has just given. I will return to my slightly more parochial take on Derbyshire and the east midlands shortly.

I am interested in hearing the Minister's comments on a different issue that has partly been touched on today, which was also raised last year and the year before. Some police authorities are very badly hit by rapid population movements such as migration and changes due to migrant labour. For example, 1 million Poles—10 times the estimated number—came over, as did many people from other groups. Such movements can hit certain areas particularly badly in all sorts of ways, such as the requirement to fund the cost of using translators in courts and police stations. The Government have just had to admit, in the past few days, that those costs are much higher than they had previously stated in their answers to parliamentary questions. When this issue was raised in 2008, the then Minister with responsibility for policing, the hon. Member for Harrow, East—

Mr. McNulty: Right hon.

Paul Holmes: Sorry. The right hon. Member for Harrow, East said that it was a very good point and that we should look into it. When the same issue was raised last year, the then Policing Minister—now the Minister for Schools and Learners, the hon. Member for Gedling (Mr. Coaker)—said exactly the same thing. I wonder whether the current Minister for Policing, Crime and Counter-Terrorism, the right hon. Member for Delyn (Mr. Hanson), will now, three years on, not only say that that is a good point and that we should look at it, but exactly what concrete action is being taken to address the matter. Police authorities cannot wait for five or 10 years for Government statistics to catch up. Education and health authorities have the same problem when there are rapid influxes and sometimes egresses of population, particularly of migrant workers, as with the large number of Poles.

Let me ask a specific question. Appendix A of the report says that the population figures used to calculate police grants are

"those available to the Secretary of State on 1 October 2007".

It talks about calculating the projected population for 2010 by using figures from the Registrar General that were published on 27 September 2007, whereas for

[Paul Holmes]

Welsh authority areas, the projected total resident population has been estimated using Welsh figures. A big argument regarding local authorities and funding is the fact that projections are often based on figures from the previous census, the last of which was nine years ago in 2001. Is appendix A suggesting that the calculations for police grants are made using more up-to-date estimates, calculations or projections? How exactly are those figures arrived at, and are they more up to date than the projections used generally for local authority formulae calculations? If they are better and more up to date, that would be of great interest to old colleagues of mine who get involved in local government funding issues, which tend to be based on census figures.

Let me discuss what is a slightly more parochial issue for me as a Derbyshire MP. We have already had one example about the east midlands receiving, because of formula funding, caps, floors and ceilings, the fourth-lowest level of Government funding for policing out of nine English regions. That is happened because of relatively low Government grants and the below-average base of council tax in relation to income. For example, there is a greater proportion of properties in the lower council tax band in the east midlands, so any council tax precept increase brings in much less than a similar increase in more affluent areas.

In 2006, the Government said yes to the full implementation of the police grant formula in the east midlands. The figures were wrong and the F40 campaign was right after all those years. The formula was reworked, and the new formula, from 2006, said that the east midlands should have had an extra £19 million. Given that the east midlands police authorities collectively say that to meet the policing needs that they and the Government assess are required now, this year, they need an extra £22 million, that £19 million virtually closes the gap.

There is a huge gap between what the police authorities say is required to meet policing needs in relation to risk, what the Government say that they should have in funding and what the Government will give them. In that regard, the Derbyshire force is losing £5 million a year, so, for the Government to say, "Yes, you need this money, but, no, you can't have it," seems outrageous. We have heard some eloquent comments on that issue from a former Policing Minister, the right hon. Member for Harrow, East, but it is a shame that he could not implement those ideas two years ago, when he was in office. Derbyshire's underfunding of £5 million a year is equivalent to 160 officers and more than 200 PCSOs. Derbyshire has the lowest level of PCSO funding per head of population of all forces in the country.

Earlier, the hon. Member for Amber Valley (Judy Mallaber), who is not in her place any more, said that Derbyshire's police numbers had risen considerably in the time that she had been a Member of Parliament. However, in the five years between September 2004 and September 2009, in an area with one of the lowest numbers of police officers per head of population in the country, the rise in police numbers was exactly 29. That is not a great tribute to the Government's actions in redressing the unfair funding given to Derbyshire compared to similar police authorities.

Mr. Hanson: The rise might be 29 in that period, but Derbyshire has got 285 more officers in the 12 years since March 1997.

Paul Holmes: That rise is still one of the lowest, per head of population, in the entire country.

Finally, the Derbyshire police authority wrote to the Government on 6 January about the police grant report that we are debating today. It said:

"We are disappointed that the final year of the three year grant settlement has not been used to move swiftly to full implementation of the new formula grant settlement, introduced five years ago."

It is still not fully implemented. The letter went on:

"The grant floor continues to peg back the grant increase for Derbyshire Police Authority.

For Derbyshire, this means that the Authority has lost out on funding of...£26 million in the five years since the new formula was introduced. We appreciate that full implementation in one year would have been unduly harsh on authorities that stood to lose grant. Nevertheless, we believe that the three-year settlement provided an ideal opportunity to move to full implementation of the formula, in a phased way that would have enabled those authorities to plan for a reduction in their grant."

Derbyshire is in a bad position that has not really improved. The future for all police authorities is, of course, looking grimmer but I hope that whoever is making these decisions in a few weeks or months will consider regions such as the east midlands and police authorities such as Derbyshire. If cuts have to be made, I hope that they will redress the balance, with areas such as Derbyshire, which is already so far behind, suffering fewer cuts than better funded areas.

It is unacceptable for the Government to say, "Yes, you need £5 million a year more if you are to provide the policing that's needed and, yes, we're going to inspect and judge you as though you'd got that money—but no, you can't have it."

3.12 pm

Keith Vaz (Leicester, East) (Lab): I am happy to support a fellow east midlands Member of Parliament in asking for more. One of the features of debates like this is that right hon. and hon. Members on both sides of the House press the Police Minister for more resources for their area. In the end, we will all be judged, when we face the electorate, by whether we take the issue of crime seriously and whether we have used the resources that we have been given to deal with the causes of crime, and crime itself, in the five years since the last election.

The Minister is probably fed up with my voice, as he was with the Select Committee on Home Affairs this morning as we concluded our inquiry into crime prevention. The former Prime Minister Tony Blair talked about the Government being tough on crime and tough on the causes of crime. The Minister came with the very good news that crime has fallen since he has been in his post, and that is obviously something to celebrate. The police budget has increased, as hon. Members on both sides of the House must accept. However, it is important to look at the causes of crime, and we hope to conclude our report on that subject before the general election is called.

I want to apologise to the House for missing the opening statement made by my right hon. Friend the Minister, but the wonderful new technology of the BlackBerry, which we have suggested should be given to

every police officer, meant that I was kept informed of everything that he said. I was waiting to see the Prime Minister to discuss the important issue of Yemen, and the Prime Minister's diary and commitments on Northern Ireland meant that the meeting kept getting put back. That is why I missed the start of the debate, for which I am sorry, although I was present to hear the Opposition spokesman, the hon. Member for Bury St. Edmunds (Mr. Ruffley), talk about the Conservative party's policy in this area.

I thought that we could reach a consensus on police numbers, certainly after the Select Committee decided to conclude its unanimous report on police service strength. I see that two other members of the Committee—my hon. Friend the Member for Walsall, North (Mr. Winnick) and the hon. Member for South-West Devon (Mr. Streeter)—are in their places. We were being lobbied hard by police authorities and others: some said that they would have to cut numbers, while others said that they were happy with what they had been given. Some authorities said that they had not had enough funding over the past 12 years. The hon. Member for Chesterfield (Paul Holmes) reminded us that the east midlands had done worse than any other region, and asked us to look at that. We therefore decided to have a dispassionate look at numbers.

We published our report a couple of weeks ago, and the key facts are in it. We found that the Government were right to say that there had been a real-terms increase of 19 per cent. in central funding for the police since 1997-98, and that there had been an increase of 4.8 per cent. in the number of officers, and a rise of 15.5 per cent. in police support staff. However, we found that there was a decline in the number of visible police officers in 13 of the 43 police authorities. Although we can agree that the amount of money being made available has gone up, the worry on both sides of the House has to do with what is going to happen in the future.

I obviously hope that the Labour party will take office after the general election, but it could be the Liberal Democrats or the Conservatives. Whichever party it is, though, it will face the difficulty that a declining amount of resources will be dedicated to the police service. One can wait for ages for a Police Minister to come along, but we have heard from two already today. It is possible that there are two future Police Ministers on the Opposition Benches. Because 88 per cent. of the police budget is to do with the work force, I and my Committee believe that every Police Minister will have to face the prospect of financial restraint.

I hope that all hon. Members will read our report, because it suggests alternatives to cutting the budget. We looked at the involvement of the private sector, and we talked about how the public sector could be more efficient. We also raised the issue of voluntary mergers: although we do not say that they should be compulsory, we in the east midlands have already seen collaboration between the forces of Northamptonshire, Leicestershire, Lincolnshire, Derbyshire and Nottinghamshire. That is an option and a scenario that could be pursued.

Mr. Truswell: My right hon. Friend is talking about other ways for police forces and authorities to raise revenue. Did his Committee look at the possibility of giving police authorities greater powers to raise the full cost of policing major events such as music festivals and large sporting fixtures?

Keith Vaz: Yes, we did. Although we did not specify music festivals in particular, that is one of the last recommendations in the report. We said that police authorities, with the assistance of local stakeholders, should be able to raise the money that they need if local people agree that that should happen.

Of course we were worried about the cap, as Leicestershire is one the authorities that is to be capped. I was one of the all-party group of the county's MPs that went to ask Ministers not to cap Leicestershire, on the grounds that the county's police need the resources to deal with the work that has been put before them. We accept that funding has increased, because that is a fact, but Ministers have also posed new challenges to local police forces. The amount of legislation that has emerged from this House and the challenges facing local police officers mean that they have to spend more time doing what the Government ask.

The current Police Minister was not in post when the Labour Government came to power. In fact, I cannot remember who the first one was, but the Government have been elected three times now and there will be things that the police were asked to do in 1997 that they are now being asked not to do any more. That is why we welcome the appointment of Jan Berry. We welcomed her report, but we want it to be implemented. What she says is not that much different from what Sir Ronnie Flanagan said in his report, or from what we said in our report "Policing in the 21st Century"—that is, that there should be less bureaucracy and more technology. We should cut red tape and make sure that police officers are on the front line and that they are visible.

I raised with the Minister the case of Staffordshire, as I always do. I saw very good practice in Staffordshire—24 pieces of paper reduced to one. I asked the previous Home Secretary whether that could be done all over the country. She said that the Government would look into it. I asked the current Home Secretary and the Police Minister. They said that the Staffordshire experience is being rolled out all over the country. It is a while since I was in government, so I am not quite sure what "rolled out" means. Does it mean that rolling out will take several weeks, months and years, or does it mean a Home Secretary telling police forces, "You will do this. We think this is a good idea because it saves money in Staffordshire, so you will save money in Lincolnshire or in Northamptonshire"?

I know that the last time I raised the matter when the Minister was on the Front Bench he nodded and said that it was being rolled out in Staffordshire, so let us see when he replies how many police authorities have done what Staffordshire has done, rather than waiting for the great roll-out process, which I am sure is happening. It would be helpful for the House to have some facts.

What I say to the Minister is yes, we need to look at innovative ideas. The hon. Member for Bury St. Edmunds has, of course, had many debates and discussions with me and with the Committee on these matters, and the shadow Home Secretary gave evidence to the Committee this morning about what the Conservative party would do to try to cut crime in the future. What we say is that it is important that we do not get into a debate about the statistics, but that we look into the effect.

I am not sure whether the hon. Member for Bury St. Edmunds agrees that what people want, in the end, is the visibility of police officers. They will accept any

[Keith Vaz]

changes in backroom staff, so long as a police officer turns up when they ring and ask for an officer to be present. They will forgive us a great deal if we continue to provide that basic service. If we do, they will understand that there must be changes in the way that the police do their business.

I was as surprised as most when we read in the papers and heard on the radio that the overtime rates have shot up to such an extent that some police officers may be paid—I do not know whether this was mentioned before I came into the Chamber—£100 for answering one phone call on overtime. That is an enormous sum of public money. We do not know how many calls are answered. When I put that to the Minister this morning, he said that the Government needed to be robust in dealing with it. I said that we should have attached strings to the increase in police funding. We should have required police authorities to do more so that such stories did not emerge and so that we did not see a ballooning of overtime payments for the police.

The Government are responsible for making sure that that happens. We cannot wait for local forces to achieve efficiency. There must be some direction from central Government because it is central Government funding. I hope that that will happen in the long run, under whichever Administration take office after the next election. We should be much clearer about how public money should be spent.

We suggested in our last report that we should spend money on new technology. All officers should be given a hand-held device so that they can take statements at the time of an incident. That would save time. They could use that instrument to find out whether a car had been stolen. That would save the time of witnesses and of the police. Perhaps the Minister will tell us whether that scheme has been rolled out. It is a no-brainer to make sure that our police are provided with sufficient equipment to enable them to do their job as efficiently as possible.

My final point relates to accountability. The Select Committee has not considered the question of elected commissioners or police chiefs at a local level, as opposed to the current system. The Government wanted to ensure that members of the police committee were elected. They then withdrew that proposal. My concern is the way in which the current system is run. We may know, as elected representatives, but the public do not know, precisely who sits on police committees.

In addition to local police forces acquiring greater visibility, police committees need to ensure that they are more visible, so that if people had complaints about policing, they would not necessarily have to make a complaint against the police. They could go to their local police authority member and ask them to take up their complaint. Police authority meetings would not then be seen as private meetings that are held in police headquarters. More information would be provided to the public. Perhaps by means of modern technology, such meetings could be televised by the police and put online so that people had access to what was being decided on their behalf.

I am not sure that that would mean that we do not have elected police chiefs. That is a debate that we need to have. There are no conclusions from the Committee and I have no personal views on the matter, but the public needs to be much more involved in the process than they can be by attending one or two local neighbourhood meetings. In any popularity contest, the local beat officer is infinitely more important and more popular than any other local official, apart from the local doctor. Of course, we are way down the list because we are elected officials and nobody likes Members of Parliament, do they? Local councillors are probably one rung ahead of us.

That local popularity must be translated into an understanding of how the local police force works. I hope very much that we will engage in a discussion that will allow more information to go to local people, so that they feel better informed and know that their money is well spent. We will never have the opportunity again, in my view, when people will not require value for money from local police forces.

It is a terrible state of affairs that special measures may be introduced for forces such as the Nottinghamshire force. We have had to wait so long for action to be taken. I know that the Minister told us today that these were matters for the inspectorate, but the inspectorate should have acted sooner. Why was it allowed to reach a stage where a police authority with a multimillion pound budget and chief officers who are paid hundreds of thousands of pounds are assisted to do their job? That cannot be right.

There must be a better system of monitoring our local police forces at a local and national level, through the inspectorate. Whether it is through the National Policing Improvement Agency or by Denis O'Connor, someone must do their work better so that council tax payers and citizens, like those of Nottinghamshire, do not have to see their local police force being taken over because it has not been properly run. We want to make sure that that is the only case of its kind, and that we act before we get to that stage.

3.28 pm

Mr. Humfrey Malins (Woking) (Con): I hope to say a few words about the county of Surrey, and I very much hope that the Policing Minister will at the end of the debate acknowledge not only that Surrey has a very good police force, but that our county has particular problems. I am quite certain that my hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley), who will be the next Policing Minister, will take a similar line.

We have a very good police force in Surrey. It is well led by chief constable Mark Rowley, and the British crime survey assessed that it was the absolute top force in the country in terms of public confidence in the police and local councils' joint work to deal with antisocial behaviour. In Surrey, not least because of financial constraints, we are focusing very hard on local expectations rather than on national targets.

We perform well with a low level of funding. So far, so good, but funding has always been a problem for Surrey. I do not expect any Government Front Bencher to talk as positively as I shall about extra funding for Surrey police, but we are in a bad way. A lot of funding comes from a central Government grant, and some comes from the county council precept, but Surrey has historically received one of the lowest per capita levels of central Government funding of any police force in the country. For example, Government funding for

Surrey police in 1996 was £96 per head of population. By 2009-10, it had dropped to £93, which is £57 below the national level. That is not a happy state of affairs, and the formula that the Government use to allocate funding to forces does not reflect the real cost of policing our county.

Mr. Hanson: I am grateful for those figures from the hon. Gentleman, but they do not equate with my understanding, which is that Government grants to Surrey increased by £48.4 million, or 23 per cent. in real terms, between 1997 and 2009-10.

Mr. Malins: That drags us into the issue of the formula, which is mind-bogglingly complicated. I shall address that in a minute. If we work out our population and the application of the formula over those many years, we are left with the figure that I gave the House a moment ago.

Surrey has rather different problems from those of any other county. We are the best away-day county for criminals. I do not say that all criminals come from somewhere other than Surrey, but the M25 has certainly helped them. When my house in Surrey was burgled seven years ago, I was sure that an hour and a half later the burglars were somewhere north of London. I do not know why I think that all burglars come from north, as opposed to south, London. What a bias I show! I do not mean that at all; I withdraw it. However, the reality is that the motorway has helped considerably. Being serious, I think that 50 per cent. of crimes in our county are committed by cross-border criminals from neighbouring areas. That aspect of life in Surrey is not accounted for in the funding formula. We have extra, different problems and responsibilities in Surrey, and they are not reflected in the formula, although I hope that they might be in the future.

At this point, I address my remarks particularly to my hon. Friend on the Opposition Front Bench. The M25, for example, has extra policing requirements, and we also have to help with Gatwick and Heathrow, which are both massive airports. Then there is the odd, one-off case, of which Surrey seems to have rather too many. They are the one-off cases in which there is an extra bill for Surrey council tax payers, who fund the police precept. A typical example was the General Pinochet situation, when we had to look after him in Surrey for years and years but got no extra money for doing so.

There is another little issue, which I discussed with the chief constable not long ago: terrorism. One thinks of Surrey as a county with leafy lanes; one would not somehow associate it with terrorism. But in Surrey there are potential cells—put it that way—of people who do not mean well, and I know that the burden of expense on the police force has been increasing. Trying to explain that Surrey faced extra burdens in that connection, I raised that issue, and some time ago so did my noble Friend Lord Trefgarne. He did so in the other place with the noble Lord West, who answered on behalf of the Government. As I have said, Surrey does very well with a low grant.

It was sad when our policing grant was capped, however. It was a terrible business when the decision was announced. We had a big debate about it in Westminster Hall and I remember that all my Surrey colleagues were there. The decision was made to ask Surrey police to return £1.6 million to the Surrey tax payer at an actual cost of £1.2 million. It is ludicrous to spend £1.2 million to send back £1.6 million, and it was an indefensible decision. When we set that against the chronic shortfall in central Government funding, in particular, we find that it was a sad state of affairs.

I come now to the funding formula. I am not aware of whether you, Madam Deputy Speaker, have a first-class degree in mathematics—that seems to me entirely possible—and the Minister may well have such a degree. However, I defy any Member of the House to explain, in comprehensible terms, what this formula is. For posterity, I shall quote from a magnificent document called "The Police Grant Report". Wait for it, Madam Deputy Speaker—it is incomprehensible. I have never, in—I was going to say my 64 years of life, but I will say my long life—come across anything that is such gobbledegook: I am flabbergasted by it. This part is one of about 15—it talks about something called top-ups, and is headed "Police Crime Top-Up 1". Here we go; I advise the Minister to make a note:

"2.6482 *multiplied by* DAYTIME NET INFLOW PER RESIDENT POPULATION; *plus*

0.2953 multiplied by LOG OF BARS PER 100 HECTARES; *plus*

16.2210 multiplied by INCOME SUPPORT/INCOME BASED JSA/GUARANTEE ELEMENT OF PENSION CREDIT CLAIMANTS; *plus*

34.1326 multiplied by SINGLE PARENT HOUSEHOLDS".

Well, it is impossible; I could look at that on an exam paper for a couple of hours and would not have the slightest clue. At the end of the document, under the heading "Scaling Factor"—I did not have a clue what a scaling factor is, and I am still none the wiser—it says:

"The scaling factor used in paragraph 5.6…is:

0.999997836417373".

It is magnificent.

Mr. Hanson: I can help the hon. Gentleman: the answer at the end is usually "not enough".

Mr. Malins: I am very grateful. The Minister is a very good man for whom I have had the greatest respect over the years, and that respect remains even now.

Surrey is battling on. Something rather innovative is happening in our county, and I wonder whether other police forces are aware of it; I suspect that the Minister will be. Whatever the financial constraints, we are trying to get 200 more visible police officers on the streets. How are we going to do that? Well, there are some very interesting new ideas as regards what is happening in Surrey. There are to be cuts in the number of senior officers, and cuts in bureaucracy. The chief constable, Mark Rowley, is exploring, with local councils, opportunities to locate local policing teams within borough and district council offices to provide a better service to the public in tackling local problems. That approach has been piloted in my own constituency of Woking. I wondered about it to start with, but then I thought after a while that it is not a bad idea. People can pop into the council offices, and the police are there. They sometimes want to have a chat about various issues, and they do not have to go miles from one place to another. Then I thought of one or two clapped-out police stations in Surrey, and realised that it is no bad thing if the police can move around a bit and, in the meantime, save a bit of money that they can use for front-line policing. That approach is working pretty well in Woking; Addlestone

[Mr. Malins]

has also reaped its rewards. Having more accessible places for the public to meet the police is a great idea, and replacing some old and expensive police buildings can help as well.

In my retirement, I plan to spend day after day looking at the police formula and trying to comprehend it. There may come a time when I send a note to my colleagues saying what it really means, but I think that the Minister is absolutely right—it means "We need more money, please." One day, surely, the formula must be revisited a little bit; we should recognise that it can operate somewhat unfairly against an extremely good county such as Surrey.

3.38 pm

Mr. Gary Streeter (South-West Devon) (Con): It is a great pleasure and privilege to follow my hon. Friend the Member for Woking (Mr. Malins). The House will miss his witty interventions when he retires—ridiculously early, if I may say so—at the next general election.

In this short debate, we are considering the police support grant for 2010-11. However, the elephant in the room is what happens in April 2011 for 2011-12 and onwards.

It is good to see that the right hon. Member for Leicester, East (Keith Vaz), the Chairman of the Home Affairs Committee, has come back into the Chamber. I know that he is going to stay throughout the entirety of my speech, so he may wish to take his place. I agree with him that much of the evidence that we have heard over recent weeks and months suggests that from April 2011 onwards, there will certainly be a tightening of the position. Many chief constables and police authorities around the country are concerned about that.

It seems to me that whoever wins the election, from April 2011 there will be a tightening of budgets. The key challenge is protecting front-line policing when budgets will be under constant pressure, probably for three to five years. Obviously, that will partly depend on individual police officers being able to improve how they deliver services, through some of the ideas that have come forward this afternoon, and it will partly be about saving costs elsewhere in the system in a way that does not have an impact on front-line policing. I wish to suggest one possible way of doing that, using my own police authority—Devon and Cornwall—as an example.

First, I wish to say that Devon and Cornwall has a good police authority and a good police force, and I pay tribute to all the hard-working police officers in my constituency, whether they are inspectors, sergeants, constables or police community support officers. Day in, day out, they do an excellent job, and all credit to them. I obviously welcome the uplift in the amount of money that Devon and Cornwall will receive over the next 12 months—an additional £5.746 million, making a total grant from the Government of £117 million, which is very welcome. The police authority's total spend in the 12 months to March 2009 was £295 million, which shows that a lot of its income is received apart from Government, but we welcome any increases in Government funding.

As I said, from April 2011 we will struggle to safeguard front-line policing, whoever is in power. How can we do that? I was looking last night, sad person that I am, through the Devon and Cornwall police accounts for the year to 31 March 2009. I was interested to note that it cost £1.4 million to run the police authority—not the police force but the bureaucracy and administration necessary to support it. If we are successful in winning the next election—let us face it, it is by no means in the bag and it will be a very close contest—our innovative and radical plan of electing police commissioners will cut most of that cost at a stroke. As a country we are short of radical ideas for police forces, but that would mean that we would not need so much bureaucracy, so that £1.4 million could mainly be diverted towards police officers.

I know that the chief constable of Devon and Cornwall will not thank me for pointing this out, and he is a good chief constable doing a good job, but I was interested to note that he is paid a salary of more than £175,000.

Mr. Malins: Good Lord.

Mr. Streeter: Indeed, and that is much the same as the Prime Minister. I do not know what other Members think, but I find it hard to understand how people in the public sector doing lesser jobs than the Prime Minister can justify salaries of that magnitude. When the Prime Minister goes to bed at night he is concerned about Northern Ireland, the situation in the middle east, Afghanistan and all the pressures that he is under. It is not quite the same to grapple with crime on Union street in Plymouth, serious and important though that is. I am not saying that the chief constable's salary is too much, but I wonder whether many people in my constituency are aware of how much he earns. Perhaps they will be from tomorrow onwards.

There are five police officers in Devon and Cornwall who earn more than £100,000. I did not know that until last night, and I do not think many of my constituents do. In the great wider debate about public sector salaries at senior level, it is important that our constituents have the information on which to make their judgment. I certainly agree with those who say that no one in the public sector should earn more than the Prime Minister in the years ahead.

Devon and Cornwall police authority spends £500,000 a year on press and publicity. Maybe that is money well spent, and perhaps it is a reflection of the world in which we live, but it is still an awful lot of money. It could pay for five senior police officers, I suppose.

The main thrust of my argument—the Minister has heard it before, and I have bored the Home Affairs Committee with it quite a lot in recent weeks and months—is that we can do an awful lot more to ensure that there is co-operation between police forces, up to and including voluntary mergers. When that was being discussed five or six years ago by the then Home Secretary, the right hon. Member for Norwich, South (Mr. Clarke), whose views we now agree with daily—he has some great insights into the workings of this Government—I completely opposed the suggestion that Devon and Cornwall police should merge with other authorities. However, as I have said in the Home Affairs Committee and to wider audiences, I was completely wrong on that. The Government were wrong to force such mergers from a top-down position, and we have probably arrived at a much more balanced situation today. Police forces up and down the country are being encouraged—and

they are doing so voluntarily—to look at the savings that can be made by co-operating or merging with their next-door police force.

As part of the Committee's studies, we interviewed the very impressive Chief Constable Parker of Bedfordshire police. Answering a question from me about the possibility of her force merging with the Hertfordshire police force, she gave me this information:

"Since 2006 the Chief Constable of Hertfordshire and myself have been working with our authorities on a collaboration programme. We have collaborated to the extent that we have joint units of more than 500 police officers and staff and that has saved us £2.2 million year-on-year. Our estimates—in fact they are more than estimates because we have worked very hard on the business case—are—first of all, the bad news—that it will cost us £20 million to make the merger happen, but within three years we would be gaining savings of £14.6 million per annum."

My maths is not particularly strong, unlike yours, Madam Deputy Speaker, with your first-class degree in the subject, but £14 million savings for £20 million is a pretty good start—it is for only three years.

Chief Constable Parker went on to say:

"To put that against the picture that we were working on in terms of budget gap, we estimate—this is an estimate obviously—that by 2013-14 combined forces would have a budget gap of over £23 million."

Whoever wins the next election, that is the sort of challenge that police forces are going to be looking at—that was from the horse's mouth, the chief constable of Bedfordshire. One way we can fill that gap is to encourage police forces to consider voluntary merger.

What kind of savings could be made and on what functions? If Devon and Cornwall police merged with Dorset police, the new force would need only one chief constable—thereby saving a very significant salary—fewer senior officers and only one headquarters. I imagine that one force could get away with far fewer accountants in the police authority and, presumably, one force would need the same number of press and marketing people as two—they would just need to cover a slightly wider territory. Money would be saved on back-office costs, administration, and human resources and personnel. Such savings could add up to many millions of pounds. The Devon and Somerset fire services recently merged. There were quite a few wobbles and concerns about that to begin with, but things settled down extremely well, and it has been able to save significant sums in back-office functions. Police forces could do the same.

One may ask, "What about accountability?" but I would answer, clearly and boldly, that Devon and Cornwall police authority has no real accountability to the people of Devon and Cornwall. I must confess—this is a shocking admission—that I did not know the name of the chair of Devon and Cornwall police authority until I looked it up this morning on the internet. The chair recently changed, so that was not completely hopeless on my part, but I did not know the name and I am supposed to be an informed elected representative of that area. If I asked my constituents how many of them could name the chair of the Devon and Cornwall police authority, I suspect the answer would be three or four. That is the reality: there is no connection between the authority and the people of Devon and Cornwall.

Accountability and connectivity happens at basic command unit level. We have a tremendous relationship with the commander of the Plymouth BCU—local Members of Parliament and councillors have regular meetings with him and he is a very impressive officer—and a tremendous relationship at ward level, with inspectors, sergeants and constables on the beat. That is how most communities relate to their police. They relate to their beat constable, and they might go to meetings to which an inspector or sergeant might go. The relationship is not with the police authority or with the headquarters at Middlemoor in Exeter; it is much closer. Therefore, adding Dorset to Devon and Cornwall police, or even going a step further to incorporate Avon and Somerset within the same police area, would not diminish accountability on the ground, because accountability happens in a very different way. It is wrong, of course, to do things just for financial reasons, but I see little or no downside to a bottom-up rationalisation of police forces—not top-down pressure from the Government in which they would define the values of mergers—that could save millions of pounds. Such a rationalisation would help whoever wins the next election to bridge the gap and keep police officers on the front line. I encourage chief constables to speed up discussions with neighbouring authorities and consider voluntary mergers.

My experience in 17 years as a Member of Parliament has been that uniformed services—be they the armed forces, the ambulance service, the fire service or the police force—are slow to change and can be poor at embracing technology. It is not good enough to leave things to them. A little pressure from the Home Office is necessary to encourage police forces to seek the most efficient way to deliver their services.

The police force in Devon and Cornwall spends an awful lot of money every year on policing Travellers. We have an increasing number of intrusions into my constituency, and one reason why they are so expensive to police is the system for dealing with them. In almost every case, the local authority must serve a notice, which means consulting lawyers and putting legal papers in order, and that is expensive. Then the authority must wait for the notice to expire, during which time the police are in attendance in most cases—costing money—but they are not free to act. The legislation needs to be looked at again—

Mr. Binley: Does my hon. Friend agree that, once the process has been completed, the Travellers go on a little circuit, returning in nine months to a year, and the whole process has to be gone through again? In my patch, that has happened for five years in one particular area—it is crazy.

Mr. Streeter: I agree strongly with my hon. Friend, and the House needs to look at this issue again. We need to modernise and streamline the law, because it is an expensive problem that causes great irritation in the local community. At the very least, the police should have the power to move Travellers on without waiting for the local authority process to take place. I do not quite understand why that is not the law, although I am sure that it is for good reasons. The Minister may not want to touch on this when he winds up, as it is slightly outside the scope of this order, but it is a costly business and very frustrating for local councils and our constituents.

My main point is that whoever wins the next election will face tremendous challenges. One way to bridge the gap and ensure that we can support and protect front-line policing is to try to encourage all police forces to consider increased collaboration and voluntary mergers.

3.53 pm

Mr. Stewart Jackson (Peterborough) (Con): In the middle of the 19th century, Lord Palmerston said:

> "Only three people have ever really understood the Schleswig-Holstein business—the Prince Consort, who is dead—a German professor, who has gone mad—and I, who have forgotten all about it."

One could say almost the same thing about the police formula grant. Yesterday was Groundhog Day, and that is what it feels like today for me, because for the past three years I have come to put to Ministers, either in the Chamber or in Westminster Hall, the sui generis situation in Cambridgeshire of consistent underfunding of its constabulary.

I begin by paying warm tribute to all the staff, police officers and police community support officers in Cambridgeshire, especially to the leadership of the chief constable, Julie Spence, who has made a coherent, cogent and strong case for increased funding on the basis of a perfect storm of issues that have affected the Peterborough constituency in Cambridgeshire, alluded to earlier by the Minister and, generously, by the right hon. Member for Harrow, East (Mr. McNulty), the former Minister. I speak as someone whose father served in the Metropolitan police for 25 years and whose younger brother is a serving Metropolitan police officer.

I thought that the Minister showed a strange mixture earlier of cocky complacency and rather pugilistic arrogance, which is unusual for him—he is normally pretty emollient and amenable to arguments. We do not see policing in Peterborough through his rose-tinted glasses, and it ill behoves him to lecture and challenge us on our fiscal policies given that his Government have presided over an appalling deterioration of public finances and have been unwilling, or unable, to come forward with a comprehensive spending review for the next period. All the Government's prognostications, pledges and promises are therefore worthless. They certainly care, but they cannot possibly know what situation will prevail beyond 2011.

That pertinent and apposite point was made by my hon. Friend the Member for Bury St. Edmunds (Mr. Ruffley) from the Front Bench. As I made clear earlier, prior to the May 2005 election generous promises were made on the then vogue of having more police community support officers, and a promise was given to deliver 24,000 over the next period of the Labour Government. They were re-elected, but failed, by 8,000 officers, to deliver on that manifesto pledge. So hon. Members will understand if I consider that the Minister might have gilded the lily somewhat in his self-congratulatory speech.

I shall return to the situation in Cambridgeshire. The Minister will know that I secured a debate in Westminster Hall in February 2008 on funding in Peterborough and Cambridgeshire, in which I was supported by hon. Friends and the hon. Member for Cambridge (David Howarth). We made the case that, in our opinion, Cambridgeshire was a special case. The floors and ceilings system must be looked at again, because although we received a slightly more than average increase this year, cumulatively under the damping mechanism we have lost £2.7 million. Since the mechanism was put in place in the 2004-05 fiscal year, we have cumulatively lost £16.5 million, which equates to about 80 additional police officers who could have been recruited to tackle crime in Peterborough and Cambridgeshire.

The Minister will know that Cambridgeshire has one of the fastest-growing populations in England and faces specific issues with large-scale EU migration. Close on 20,000 EU migrants—mainly Lithuanians, but also Latvians and Poles—have come to Peterborough in the past six years, and inevitably that has demonstrably put a strain not only on primary education, primary care and housing, but on crime and policing. That is the reasonable and fair point that Mrs. Spence, the chief constable, has consistently put to Ministers over a significant period—but to no end, apparently.

If one takes the census figures as read, including the 2006 mid-year estimates, we remain the sixth lowest funded force per thousand head of population for police officers and the fourth lowest overall for all staff in the whole of England and Wales. Unfortunately, despite the lobbying and myself and others imploring the Government to consider our specific issues, we compare very unfavourably with comparator forces such as Essex, Gloucestershire, Avon and Somerset and Warwickshire.

I want to return to the stresses and strains caused by the ramifications of the free movement directive, which was enacted in May 2004 for EU migrants. I have never said that those people—many of them good, decent, hard-working people—are particularly responsible for any more or less crime than anyone else. That is not the point. The issue is the large numbers. The right hon. Member for Harrow, East made the point that things have moved so quickly that the Office for National Statistics, the Home Office and the Migration Impacts Forum have failed to keep track of the numbers and the pressures that have arisen so quickly, changing the character of whole neighbourhoods and making the challenges so significant for senior and beat police officers.

Paul Holmes: On the hon. Gentleman's point about whether migrant labourers are more likely to be involved in crime, I understand that some recent research has shown that they are more likely to be the victims of crime. That still causes extra costs for the police, because of translation services and all the rest of it, but migrant labourers are more likely to be the victims of crime than the cause.

Mr. Jackson: The hon. Gentleman makes an astute point. The research consultancy Ibex Insight undertook a study called "Policing Peterborough" in 2005, which made that exact point. To give a simple example, where single women who do not earn very much money are living with younger men in houses in multiple occupation, they are, whether we like it or not, likely to be the victims of offences as serious as sexual assault, theft, intimidation and so on. That was one of the findings of that report, which was commissioned, incidentally, by Cambridgeshire constabulary to support its argument on funding.

The hon. Gentleman is quite right that we are not stigmatising the migrant work force, but saying that both ends of the spectrum—from those who perpetrate crime to those who are the victims—put significant extra pressure on police forces. Around half of all the cases processed through the custody block at Thorpe

Wood police station, in the west of Peterborough, involve people whose first language is not English. One can imagine the substantial revenue issues that that raises for Cambridgeshire constabulary. Indeed, the projected cost of translation and interpretation in this financial year is £865,000. The cost of using the interpretation service offered by Language Line Services Ltd runs at approximately £7,300 a month, while 22 per cent. of those using it are Lithuanian, 19 per cent. are Polish and 12 per cent. are Russian, with a significant number—two dozen—of various other languages used.

For that reason alone, Cambridgeshire is deserving of a specific review of its funding, and that is without taking into account the issues of tourism in Cambridge, the organic growth of residential housing in the county and, as touched on by my hon. Friend the Member for South-West Devon (Mr. Streeter), Gypsies and Travellers, who have crime-related issues that have had a big impact on the south of the county in the constituencies of my hon. Friends the Members for South Cambridgeshire (Mr. Lansley) and for South-East Cambridgeshire (Mr. Paice).

We would not be so concerned about the issue if the crime figures were not so spectacularly out of kilter with the views of the Minister. In the city area of Peterborough, we are more than twice as likely to experience problems of acquisitive crime, as compared with the English average. The rates for robbery, burglary, sexual offences and theft from a vehicle are all twice as high as the average too, while our rate for violence against the person is one third higher. Indeed, some in my constituency have said that over the past year we have witnessed, on the latest figures, an epidemic of acquisitive crime. Burglaries are up by 20 per cent. and robberies are up by 37.5 per cent. since 2008, notwithstanding the excellent work of Cambridgeshire constabulary, in particular through Operation Alert. It might be as well to mention the great work of Chief Superintendent Andy Hebb and his deputy, Superintendent Paul Fullwood, who are trying their best to deal with having very few officers and an increase in crime.

Policing is only part of the issue. We need to look again at sentencing policies, the role of the judiciary and the message that they send out to victims and criminals and those who would be tempted to commit crime. I mentioned in passing last week one of many examples, I am afraid, from Peterborough Crown court: the case of Lee and Carl Edwards, two brothers in my constituency, who were convicted on 135 counts of burglary between them. The judge at the trial, deputy circuit judge John Farnworth, considered it appropriate to jail them for 30 months and 51 weeks. The message that sends to my constituents—decent, hard-working people who get up in the morning, take their children to school, look smart, take pride in themselves, go to work and earn a decent wage—is that the judicial system does not care about them; it looks after people with so-called chaotic lives, at the so-called fringes of society, and it is more interested in them than hard-working people. That has to be a factor not just in the number of police, but in the way in which the judicial system works. The feeling that some people have is that the system works to the advantage of the criminals, not the victims.

Justine Greening (Putney) (Con): To bring my hon. Friend back to the financing debate that we are having today, does he agree that the problem is that, even when the police catch criminals, they are back out on the street because of the Government's early release scheme? That alone costs forces more money than they have—

Madam Deputy Speaker (Sylvia Heal): Order. I must rule the hon. Lady out of order because we are talking not about sentencing policy, but about the grant that police authorities have.

Mr. Jackson: I am grateful for your guidance, Madam Deputy Speaker, but I concur heartily with my hon. Friend.

May I finish on some of the points made by my hon. Friends? I totally agree with the views expressed by my hon. Friend the Member for South-West Devon. The problem with the mooted 2006 mergers was that they were top-down and forced; there was little public consultation and little opportunity to debate properly the issues surrounding the specific challenges and problems of each force. The then Home Secretary understood that. There is ample evidence that, on payroll, human resources, procurement and premises, local police forces can and will work together. My hon. Friend is right about Devon and Somerset fire service, which is accruing significant savings as a result of that.

There is a huge deficit in accountability because many senior police officers are accountable to no one but the Home Secretary in practice. They must be accountable within strict parameters and a framework that we all buy into and understand and that has legitimacy in the House and beyond to local people, with their local priorities. We should never be in a situation where the operational decisions of the police are in the hands of politicians, who may use them for electoral advantage. I do not agree with that, and that is not the case in most places in the world. However, we need that golden thread between ordinary people on the street and their experience of crime and policing, and the people who make the decisions in central Government and at local level in the constabulary. For that reason, I heartily support the call by hon. Members and hon. Friends for elected police commissioners. That will restore people's faith and trust in the criminal justice system. It will mean that people have a real input into the decisions that are made about their local communities and tackling crime. Most people are law-abiding and decent, but they want fairness, accountability and transparency.

With that, I hope that the Minister specifically addresses the issues that I have raised about the Cambridgeshire constabulary. I pay tribute to all the people who work in the police service in Cambridgeshire, and I hope that we get a better settlement when we have a Conservative Government in the next few weeks.

4.9 pm

Mr. Brian Binley (Northampton, South) (Con): I wish I could tell the Minister that my remarks will be sizeably different in any way from many of those who have spoken before, but they will be similar—except that I shall talk about the needs of Northamptonshire whereas other Members spoke of the needs of their counties.

What strikes me, however, is the degree of cross-party unanimity on the need to reform the formula. We heard a wonderful display of proper contribution to debate

[Mr. Brian Binley]

from my hon. Friend the Member for Woking (Mr. Malins), who is no longer in his place, about the total lack of ability to understand formula funding and its detail. I hope that the Minister will be able to promise us a total review of funding to ensure that when the new funding formula is introduced, it will be understandable at least to those who have to read these documents and try to make sense of them, but who, as my hon. Friend said, so far fail to do so on every occasion. I do not want to test the Minister on his knowledge of understanding of the formula. [HON. MEMBERS: "Go on."] It would be cruel to do so. There is a real need, however, to create a greater understanding for all of us.

There is also a real need to create fairer formulae. I know that my own county constabulary—as I shall explain in a little more detail later, it has missed out badly as a result of formula funding and experienced considerable difficulties with financing—has worked tremendously hard and wants to communicate that fact to the people it serves. A police survey is currently under way, which simply asks, "I would be prepared to pay more council tax for a higher level of service. Yes or No?" I do not know what the result will be, but it shows that there is real concern about police funding. I know that my county constabulary is most concerned about formula funding.

I welcomed the remarks of the former Policing Minister, the right hon. Member for Harrow, East (Mr. McNulty), who is no longer in his place. He spoke thoughtfully on the basis of his long experience, but he made the same point that I am making to the Minister at this very moment: the formulae used for funding are so open to total incomprehension that they must be reformed. That from an ex-Minister. I know that the present Minister has a number of very clever civil servants supporting him—they are sitting in this Chamber at this moment—and I hope that they will understand the depth of feeling among us on this issue, because we need everybody to get behind this. If we manage to make the changes we want, it is they who will have to do the work, and I wish them very well.

I have had a number of discussions with my own constabulary, the last this morning, about the particular issues affecting it. The damping arrangements are a particular problem. Damping is supposed to subsidise forces with the least relative need by taking grants from those forces with the greatest relative need in order to ensure that they receive a minimum year-on-year increase rather than a cut. That is my basic understanding of damping as a formula.

Tragically, damping is not working—certainly not in Northamptonshire. My police authority and county constabulary believe that they suffer from a particularly unfair example of formula funding. Northamptonshire police estimate that they will lose £853,000 of formula grant next year as a result of damping. Indeed, they tell me that they have lost £1.844 million of formula grant over the last three years because of this particular process. As the Minister will know, that is a great deal of money to Northamptonshire police. In fact, it equates to 20 extra officers in the county each year.

I have already observed that the east midlands region seems to be particularly damaged by this element of formula funding. It is estimated that over the last three years the region has lost £60 million of formula grant that it believes should have come its way. As I pointed out in an intervention, that equates to an additional 600 officers each year. I was pleased to hear the hon. Member for Chesterfield (Paul Holmes) make the same point earlier.

Northamptonshire county constabulary is particularly bewildered by the results of damping as it affects Northumbria police, who are the biggest gainers in this respect. They receive £36 million of subsidy per annum, which allows the local authority to freeze the council tax. How my own police authority would like to be in the same position, but it is not. It is especially unfair that, owing to the cumulative effect of damping over a number of years, Northamptonshire police are consistently being denied the level of grant that they require according to the needs formula itself. That seems to me like Alice in Wonderland.

If there was ever a need for change, this is it. I should like someone to look in the mirror, decide that change is needed, and tell us that it is going to happen. I hope that the Minister, who has been fair and courteous throughout the debate, will be able to promise to review the formula funding process.

Sir Paul Beresford (Mole Valley) (Con): He will not be here to do it.

Mr. Binley: Well, he is here now, so he can make the promise now. I would expect a similar promise to be made from my own Front Bench. If the Minister makes that promise today, I shall be able to go back to Northamptonshire and tell the county constabulary, which will be immensely happy. The Minister can see how easy it is to make our policemen happy, and I hope he will try to do that.

There are other reasons why I believe that the funding formula should be changed. As my hon. Friend the Member for Woking pointed out in his amusing speech, we need only look at the book to see how complicated it is, but no formula is any good if the basic input figures are wrong. This formula uses national statistics, and, unbelievably, the Office for National Statistics concluded that Northampton would experience no population growth between 2000 and 2008.

I am sorry, but Northampton represents part of the Government's major expansion plan. I am sure that the Minister has been to my town and has seen the thousands upon thousands of new houses. I do not know who lives in them. I know some of my constituents but not the whole lot, and many are relative newcomers. Unless people in Northamptonshire are dying at an incredible rate there must have been an increase in population, but those are the figures that were used for the funding formula. No wonder we consider them to be totally discredited.

My good and hon. Friend the Member for Peterborough (Mr. Jackson) mentioned immigration. As in Peterborough, so in Northampton. We have seen a massive influx of mostly very good people—mainly from eastern Europe—but some of them are not so good, and they place put a sizeable additional strain on our police force. The formula is not nimble and quick-footed enough to be able to take that increase into account. Therefore, Northamptonshire misses out again, especially bearing in mind that the county town accounts for about a third of our population.

All specific grants, excluding the neighbourhood policing fund, have been frozen for six years. That means there will be a real-terms cut for Northamptonshire police. Indeed, Northamptonshire's capital grant from Government is frozen at £1.379 million. Specific grants are used to fund activities such as rural policing, and rural policing is especially expensive. I know from all my correspondence and conversations with people from the rural area that I myself live in, which is just outside Northampton, how strongly the local rural population feels that it is not getting a good deal from the police service. The people there rarely see a policeman. It is true that Northamptonshire police have tried very hard to lift the profile of policing in rural areas, but the fact of the matter is that the local population still feels it is being hard done by, and I would put money on that also being the case in constituencies across the land with rural areas.

I ask the Minister to look at this issue as a matter of urgency. He has heard that plea from Members on both sides of the House during this debate. I simply ask that when he rises to his feet, he looks at me and smiles sweetly, and says how much he agrees with the hon. Member for Northampton, South and that he will ensure that the change to the formula funding is undertaken and that that will create an easier to understand and fairer situation for constituencies such as mine and counties such as Northamptonshire—and I hope my Front-Bench spokesman, the hon. Member for Bury St. Edmunds (Mr. Ruffley) does the same thing.

4.22 pm

Mr. Hanson: With the leave of the House, I would like to respond to the debate. It has been very interesting, and there have been some common themes—and there has also been occasion to smile, just for the hon. Member for Northampton, South (Mr. Binley). The main common theme is a point I mentioned at the beginning of the debate: every Member who has spoken represents an area whose police force has more officers now than 12 years ago. The local force of the hon. Member for Peterborough (Mr. Jackson) in Cambridgeshire, for instance, has 109 more officers than 13 years ago. The police forces covering the constituencies of every Member who has spoken today also have more resources than in 1997 in real terms, including, dare I say it, my own force in north Wales, which has £45 million more than in 1997 in real terms. Every force of every Member who has spoken today has lower crime rates than in 1997, too. Overall, the rate is 36 per cent. lower than in 1997. Therefore, whatever points Members have made in this debate, the background to it is that we are still working from a very strong base in terms of the resources, crime figures and police numbers in their constituencies.

Under the police settlement for 2010-11, next year there will be about £259 million more for policing across England and Wales than this year. That means that every force of every Member who has spoken in the debate will get a minimum increase of 2.5 per cent. The average increase across the board will be 2.7 per cent., with a high of 3.5 per cent. in the case of Avon and Somerset. That is extra resources at a time of recession with a commitment from Government to meet those resources, and along with that there is falling crime, higher police numbers and more resources in general.

I accept that there are some issues, however. The hon. Member for Bury St. Edmunds (Mr. Ruffley), my right hon. Friends the Members for Harrow, East (Mr. McNulty) and for Leicester, East (Keith Vaz), and the hon. Members for Woking (Mr. Malins), for Peterborough (Mr. Jackson) and for Chesterfield (Paul Holmes) all said that they have concerns about the funding formula. I can also, at last, smile sweetly at the hon. Member for Northampton, South, because he has raised that issue in a way that can only charm me into responding to him in a positive way. I must tell all those Members that we keep the funding formula under review. I recognise that, as the hon. Members for Woking and for Peterborough said, there are pressures from population factors, tourism and a range of other issues; in Wales—in my part of the world—Cardiff city council and the South Wales police force are raising issues relating to sporting events.

We are undertaking a review of the funding formula. It was started in September 2008 and is due to conclude shortly. I would like to announce a public consultation period over the summer of 2010, after—I hope—I have been re-elected to this office in the general election. The points that colleagues have made should be passed on to me and my officials, because we need to examine the issues as part of the public consultation. We have given a commitment to examine the funding formula for the next comprehensive spending review. We did not want to carry out that examination in the middle of the current three-year cycle, because there will be winners and losers in any potential change.

There is a genuine wish—the hon. Member for Northampton, South can take this back to his constituency this weekend—to say that there will be a review and a consultation, that an assessment of the factors mentioned in this debate will be made and that there will be a revised funding formula, in one shape or another, for the next comprehensive spending review. As hon. Members will know, we have removed the ceilings—floors still exist and we intend to remove those. The time frame has not yet been determined, but we will seek to remove them when we can. We need to ensure financial stability.

Mr. Binley: I welcome the Minister's remarks very much, and I believe people in Northamptonshire will too. Will he ensure that when that review is undertaken a relatively extensive consultation on the issue takes place? We need input from as wide an area as possible.

Mr. Hanson: There will be a public consultation, and I hope that it will take place in the summer of 2010. It will be up to whoever forms the Government and whoever the Policing Minister is to take that forward, but there will be a need to examine the funding formula. We anticipate that that will happen and it will involve widespread discussion. We certainly want to look at that positively.

The hon. Members for Chesterfield and for Peterborough made points about population estimates. They are based on the census, but they are projected forward by the Office for National Statistics. The formula does still use the most up-to-date population data possible as part of our assessment for the future. When I see the evidence before me, I can do no other than accept that there are disparities in the funding agreements because of the formula; the range is from 36 per cent. in Northumbria to minus 4 per cent. in Essex, and we are examining those wide variations. But I still contend that the formula

[Mr. Hanson]

is good for the current cycle in its form, it has delivered more resources and the £259 million that we have put in has been important.

The hon. Members for South-West Devon (Mr. Streeter) and for Bury St. Edmunds raised the valid point about funding post-April 2011. They will both know that I cannot commit on the broadest Home Office funding issues at the moment, because we do not have a CSR. In answer to the point made by the hon. Member for Bury St. Edmunds, I should say that the Chancellor has made a commitment to ensure that forces can maintain their officers numbers, be they police community support officers or full warranted officers. The forces will receive sufficient funding to maintain whatever officer numbers they wish to maintain, based on the current levels for April 2011. The priorities for this Government have been education, health and police numbers. All Departments will face challenges as a result of the funding settlement, but those commitments have been given to date.

It is important—these are my final two points in response to those that were raised—that we get better efficiency from the system. We talked about that this morning in the Home Affairs Select Committee and we have mentioned it in the debate today—it was mentioned by the hon. Member for Chesterfield and my right hon. Friend the Member for Leicester, East. I refer hon. Members to the high-level working group report that we published yesterday, which aims to get £540 million of efficiencies out of the system within the next three years—I have made a commitment that the police can keep those efficiency savings to put into front-line services. Those efficiencies are being sought through better procurement, for example. I think that it is madness that we have 43 individual forces buying body armour. It is madness that we have 43 forces buying vehicles, having air support, looking at forensics or getting IT. It is not a cut to combine those elements into one contract to get the best value out of the buying power—it is an efficiency that releases money that we can put into other services.

Similarly, the hon. Member for South-West Devon mentioned back-office services. There are co-operations and collaborations that we can do and we have considered mandating some of them to get value out of the system. We can, particularly in smaller forces, get better use of personnel, HR and a range of other matters by having that back-office support without having formal mergers.

I put down a clear challenge yesterday on the question of overtime for police. We are spending an awful lot of money on overtime and with better deployment, use of special constables and some scrutiny of overtime we can save money and can, I hope, save £70 million.

I am conscious of the time, so my final two points relate to voluntary mergers. We have made it very clear that, following the difficulties of the merger debate several years ago, the White Paper published before Christmas set a framework for voluntary mergers. The people involved can merge if they want to and they will have the support to do so, but they will need the support of the chief constable, the authority and, ultimately, the public who they serve. To help that process, we have put in place a £500,000 fund up front to help with some of the costs of preparing for mergers. That is available to be drawn down and applied for now and will be until April of this year.

We have also said that we will consider one of the blockages to mergers, which is council tax precept equalisation. We are happy to consider how we can work through that now and in the longer term with my right hon. Friend the Secretary of State for Communities and Local Government. There is a wish to move the mergers forward. They can save resources, but they have to be voluntary and locally driven.

Finally, may I refer briefly to the roll-out of the four force pilot, even though my right hon. Friend the Member for Leicester, East is unfortunately not here. It is, dare I say it, rolling out. Forces are at different stages of implementation and are being strongly supported by ACPO in taking up that four force pilot. My right hon. Friend the Home Secretary is writing to police chiefs and chairs to encourage them to adopt the four force pilot in their local areas.

There is a lot more that could be discussed, but time is pressing. Let me simply say that I hope that Members will approve the grant today for £259 million extra for next year. I hope—dare I say it—that the Opposition will support us in that commitment and will not renege on it, whatever happens in any potential election. I believe that we have a strong financial base for police funding, strong reductions in crime and strong police numbers. I accept, however, that specific issues need to be addressed, which we will consider and reflect on. I commend the grant to the House.

Question put and agreed to.

Resolved,

That the Police Grant Report (England and Wales) for 2010-11 (HC 278), which was laid before this House on 20 January, be approved.

Local Government Finance

4.33 pm

The Secretary of State for Communities and Local Government (Mr. John Denham): I beg to move,

That the Local Government Finance Report (England) 2010-11 (HC 280), which was laid before this House on 20 January, be approved.

Madam Deputy Speaker (Sylvia Heal): With this we shall discuss the following motion, on council tax:

That the draft Council Tax Limitation (Maximum Amounts) (England) Order 2010, which was laid before this House on 20 January, be approved.

Mr. Denham: Before I come to the main body of my remarks, may I say that it was and is the intention that the Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Stevenage (Barbara Follett), should reply to the debate? Timings in the House are uncertain and she will be dealing with an Adjournment debate in Westminster Hall for half an hour. I hope that it will be acceptable to you, Madam Deputy Speaker, and to the House if she replies to the debate—she has undertaken much of the individual correspondence and meetings with local authorities and she might be in a good position to respond to particular cases that are raised.

Before I discuss the good financial settlement that is on offer for councils again this year, I want to draw the House's attention to the 2010-11 "Housing Revenue Account Subsidy Determination" that the Government have issued today. It confirms that next year's local authority average guideline rent increase will be set at 3.1 per cent., not 6.1 per cent. as was previously agreed, because the Government believe that the previous increase would not be fair or affordable for tenants. Those considerations have always been our priority, and that will not change. What we have put in place this year will not mean steep rent increases for council tenants in the next few years.

The same concern about affordability has informed the decision that was announced by my hon. Friend in November, that the Government were capping the police authorities of Cheshire, Leicestershire and Warwickshire because of previous excessive increases. Cheshire and Leicestershire have accepted the budget caps that we have proposed, whereas Warwickshire exercised its right to challenge. After careful consideration, I have laid an order for the House's approval to set Warwickshire a maximum budget requirement of £90.395 million for 2010-11. The intention is to limit all three authorities to the equivalent of a 3 per cent. increase in council tax over 2009-10 and 2010-11. No other capping decisions have been taken for 2010-11, but we will not hesitate to cap excessive increases that have been set by individual authorities, if necessary.

Let me address the main subject of the debate—the financial settlement for local government. This is the final year of the first ever three-year settlement, which involves an £8.6 billion increase over three years, with an average increase of 4 per cent. over each of the three years and of 4 per cent. again for the coming year. The increase for this year is made up of a 2.6 per cent. increase of formula grant, bringing the total to £29 billion; a £5 billion area-based grant, which includes funding for the supporting people programme, the working neighbourhoods fund and the rural bus subsidy; and specific revenue grants of £42.2 billion, which includes, for example, the dedicated schools grant. Every council will receive an increase in funding.

This year's settlement comes on the back of a 39 per cent. increase in real-terms funding in the decade up to 2007-08. In that decade, power and responsibility were transferred to councils, giving them greater stability, freedoms and flexibilities. Almost £6 billion has been moved into such budgets with no strings attached. The performance framework has been slimmed down from 1,200 targets to fewer than 200. Next year, councils will also gain responsibility for commissioning education and training, which will be worth a further £7 billion.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): My right hon. Friend mentions that councils are free to spend their money with fewer strings attached, but does he expect councils to take more responsibility? Does he have a view on Birmingham city council's inability to submit its accounts in such a way that the Audit Commission is able to sign them off? The council has had to waste £60,000 just to have the books re-audited to satisfy the Audit Commission.

Mr. Denham: My hon. Friend raises an important point. We had occasion, before Christmas, to raise concerns with Birmingham city council, which, on its own say so, had failed to use the working neighbourhoods fund money in a timely manner. It is the right direction of travel to give freedoms to local authorities, but we have to make it clear that with those freedoms and flexibilities comes the responsibility to use public money well and wisely for local people.

The Government's record on funding is one of real achievement and real confidence in local government. There has been real change on the ground, backed by real investment. I suspect that this debate might not attract huge public attention across all the media, but it will be followed closely in council chambers across England. In this week, next week and the week after, councillors will meet in town halls and civic centres to set council tax. They will be considering the coming year and the years ahead. They will follow our debates with interest, not least because of the looming election and the possible consequences for local councils and council tax payers.

This Government's support for local government is not in doubt. The settlement comes on top of a 39 per cent. increase in real-terms funding that compares with the 7 per cent. real cut in the final four years of the previous Conservative Government.

I reject the claim in yesterday's edition of *The Daily Telegraph* from 35 Conservative council leaders that low council tax increases this year have nothing to do with the Government. They said that they had

"managed to keep taxes low in our authorities despite the efforts of John Denham and his department."

Those councillors should be grateful. In January last year, the Leader of the Opposition proposed cutting my Department's budget by £1 billion, of which it is certain that £240 million would have come from council budgets. So those 35 local authority leaders should at least be grateful that I protected them from the policies of their own political party.

Susan Kramer (Richmond Park) (LD): The Minister is vaunting the significant amounts of additional money that his Government have made available, but is he aware that some councils are outliers, whose increases in cash per head can be counted in pennies? Richmond is a good example, with an increase of 87p per head. Many councils, like Richmond or Kingston, have had to go deep into their pockets to fund primary school places because Government help has been so limited. The number of children affected is very significant.

Mr. Denham: I do not agree that Government help has been limited. It is possible that when my hon. Friend the Minister winds up, she will be able set out how much Richmond has received over the years. However, I acknowledge that there is an underlying point, and that it is an inescapable part of the settlement. Almost inevitably, the funding formula that we have will reveal that some authorities are further from the formula target than others. Each year, the grant settlement is designed to make progress towards that target, but we must have a floor system that regulates the rate of change that takes place each year. Some authorities are affected by that, but it is very difficult to design a system that does not have some element of that sort.

Dr. Brian Iddon (Bolton, South-East) (Lab): I realise that we are moving towards target according to formula funding, but is it right that my authority should lose another £5 million this year because it is below target? That comes on top of the millions that we have lost already. Wandsworth is to receive an additional £51.653 million next year, and Kensington and Chelsea £10.061 million. I put it to my hon. Friend that my constituents are some of the poorest in the country.

Mr. Denham: The increase in Bolton is something like £13 million in the coming year. That is a significant amount of money, as my hon. Friend will recognise. The application of the funding formula requires a floor mechanism to regulate the pace of change towards the target that the formula produces. It has been widely discussed, and he is perfectly right to produce anomalies or examples that he thinks are unfair to his constituency. However, I do not accept that they are anomalies, as the system for regulating the pace at which we move towards target is broadly agreed across the House. I am pleased that his authority has been able to benefit this year from a significant amount of money.

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab) *rose—*

Mr. Andrew Pelling (Croydon, Central) (Ind) *rose—*

Mr. Denham: I shall take a question from my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey). I shall take an intervention from the hon. Member for Croydon, Central (Mr. Pelling) later, after I have made a bit more progress.

Dr. Starkey: My hon. Friend talks about floors and ceilings. Does he agree that, although councils, including my own, are ready to complain about a ceiling if it means that they do not receive as much extra grant as quickly as they might wish, they rarely complain about a floor, as that means that they do not lose grant as quickly as they might fear?

Mr. Denham: My hon. Friend may be aware that her local authority has received an extra £18 million this year. She makes a very valid point, but the reaction that she describes is perhaps an inevitable part of human nature. There will always be more complaints from those who believe that they should have got more than there will be praise from those who have been protected by the system. She is absolutely right to make that observation. My firm belief is that not only in this year, but in previous years, the Government have worked hard to get the balance right between the ceiling and the floor, to ensure that the pace of change is reasonably predictable and understandable by local authorities.

I was speaking about how I resisted the call of the Opposition last year to cut my Department's grants to local authorities by several hundred million pounds. The councillors who wrote to *The Daily Telegraph* may have been embarrassed by the truth, which is that the councils that have loaded most burden on to council tax payers have been Conservative. Of the 50 councils with the highest increases in council tax over the first 10 years of this Government, around 30 are Conservative-controlled. Labour controls just five.

The current settlement means that we can expect the average band D council tax increase to fall to a 16-year low. Many councils have already indicated that they plan for modest council tax increases or none at all, including all eight London Labour councils, which have committed to a council tax freeze while protecting front-line services. Our expectation this year follows last year's average increase of just 3 per cent., the lowest since 1994-95.

That is good news for council tax payers from the Labour Government. What would they get from the Opposition? An apparently attractive but empty and unfunded promise. On 30 September 2008 the right hon. Member for Witney (Mr. Cameron) told the BBC that council tax would be frozen for two years under a Conservative Government. The Conservative party press release of 29 September 2008 said that the cost would be £500 million in the first year and £1 billion in "subsequent years". It said that that would be funded from cuts in advertising and consultancy budgets.

Latest costings show that the Opposition have seriously underestimated the cost. A two-year freeze starting this year would cost £1.97 billion—£650 million in the first year, and £1.32 billion in the second year and every year after that. Even on the Opposition's own figures there is a £470 million gap, so I wonder whether that is likely to happen.

On 7 January the Leader of the Opposition told the BBC:

"No, no we have a pledge to do that"—

the two-year freeze—

"because we found the money to do that by cutting government advertising and government consultancy."

Asked by the BBC's admirable Evan Davis:

"Hang on, why don't you cut the government advertising and other budgets in order to reduce the deficit, not council tax?",

the Leader of the Opposition insisted that the freeze would go ahead. So would it happen? Is it a promise, or merely another vague aspiration? Apparently it will go ahead. *[Interruption.]* Well, those taking part in council tax debates throughout the country need the answer today.

Last Sunday, the shadow Chancellor had a different use for cuts in advertising and consultancy.

"To reduce the deficit,"

he said,

"we can move quickly on the advertising budget, the big government consultancy budget".

Yesterday, asked by the BBC's equally admirable Nick Robinson about cutting spending to cut the deficit, the hon. Member for Tatton (Mr. Osborne) said:

"We pointed to the advertising and consultancy budgets."

Which is it? Cuts in advertising and consultancy to reduce the deficit or to reduce council tax? It cannot be both. The House and local councils need to hear some answers today before promises are made at local level. There have been many candidates from Opposition parties dropping leaflets through letterboxes over the past few weeks promising a freeze in council tax without any explanation of how even part of it is to be funded.

Mr. Pelling: Will the Secretary of State give way?

Mr. Denham: In a moment.

The Opposition's council tax plans are, as *The Observer* said on Sunday, "mired in confusion".

We also need to know when the freeze will start. If it does not start until next year, there is another problem. As the pre-Budget report makes clear, advertising and consultancy will be cut by this Government by £650 million in 2012-13 as part of our plan to halve the deficit, so there is no money in the coffers to pay for the second year of the proposed council tax freeze. There is at least a £1.12 billion black hole in the Opposition's local government spending plans in the first two years, and the same amount every year after that.

Justine Greening (Putney) (Con): The right hon. Gentleman is doing a great job of setting out to the public the fact that we will help councils freeze council tax, whereas his Government will not. Perhaps he can explain whether it is his proposal to go ahead with another revaluation shortly.

Mr. Denham: We have no plans or preparations for a revaluation of council tax.

Robert Neill (Bromley and Chislehurst) (Con): What about the database?

Mr. Denham: Oh, the database! A standard, routine contract is put out to tender every few years to update the valuation database in the normal way; that has nothing to do with council tax revaluation. I wrote to the hon. Member for Putney (Justine Greening) after she claimed in the *Sunday Express* that the database was evidence of secret plans for a revaluation of council tax. She never replied to my letter, and I am surprised that the Opposition continue to raise the issue.

Justine Greening: Will the right hon. Gentleman give way?

Mr. Denham: No, because I am just going to make the point—*[Interruption.]* The hon. Lady had the opportunity to answer, so I shall make some progress on the statement—*[Interruption.]* She had an opportunity to explain what she cannot explain, which is how council tax revaluation would be paid for. I shall carry on, because we need to deal with more aspects of the settlement.

Mr. Pelling: Will the right hon. Gentleman give way?

Mr. Denham: I shall give way to the hon. Gentleman, because he has been asking for some time.

Mr. Pelling: The Secretary of State is clearly hitting the target as regards the Conservative party's rather soft position on those issues, but, nevertheless, are not his comments a real comment themselves on the relationship between central and local government? This Government have not released local government to pursue its own financial affairs. The fact that national parties are talking about advertising in specific councils shows that local government is still far too dependent for its finances on national Government.

Mr. Denham: The hon. Gentleman might have welcomed the extra £20 million in all grants that his local authority will receive next year. The fact is that over several years there has been a process of devolving power to local government, of reducing ring-fencing and targets and of transferring responsibilities to local government—and we will continue to make progress in that direction. I shall say more about that in a moment.

Paddy Tipping (Sherwood) (Lab): Will my right hon. Friend give way?

Mr. Denham: I shall, but then I must make some progress, because I know that a number of hon. Members wish to speak.

Paddy Tipping: What advice would the Secretary of State give to Tory-run Nottinghamshire county council, which is determined not to increase its council tax and told me that it could do so because it was going to receive an increased grant from a forthcoming Tory Government—if there were one?

Mr. Denham: I would say to that county council that there is clearly no source of money to pay for the promises, which are being made throughout the country, of a council tax freeze. We saw the same situation with married man's tax allowance at the weekend with spending—

Madam Deputy Speaker: Order. Perhaps the Secretary of State could now concentrate on the proposals that the Government are putting forward.

Mr. Denham: You have been characteristically generous, Madam Deputy Speaker, and I shall make progress.

We are happy to be judged on our record of steadily increasing investment and greater freedoms. This settlement, which underpins our ambitious vision for local government, is how we will not only protect but continue to improve local public services, despite the tighter financial climate. Local government has a good record on making efficiency savings, but the truth is that the really hard challenges have still not been tackled consistently in every council and in every area. Local people will rightly be intolerant if they are told by their council that front-line services

[Mr. Denham]

will be cut when it has not taken the tough decisions to introduce shared services, sharing senior staff with other authorities, primary care trusts or other providers, or made the best use of public assets.

The new taskforce that I have established, led by Steve Bullock, the mayor of Lewisham, and Richard Leese, the leader of Manchester city council, will report by the end of the month on how well-led authorities can protect and improve services while meeting the new demands for greater efficiency.

Mr. Mark Field (Cities of London and Westminster) (Con): The Secretary of State will realise that for many local authorities one of the biggest clouds on the horizon is the census in 2011. Many of us, particularly those of us in inner-city boroughs, recognise that there are great concerns about the rigour with which the census is being put in place, and that that will have a major impact on the grants that are made not just this year but for some years to come. The issue applies to hon. Members from all parts of the House. Will he explain what the Department is doing to ensure that the census is as rigorous as possible in order that there is a fair division of the spoils for many years to come?

Mr. Denham: The hon. Gentleman makes a perfectly fair point. Usually in this annual debate, the concern is that population figures are out of date, rather than about to be updated. The census is therefore enormously important, as is the ongoing work, on which the Office for National Statistics is consulting, about better ways of capturing more rapid short-term changes in population of the sort that we saw in the middle of the last decade. His point is well taken and well made, but I assure him that everybody concerned with the census is working enormously hard to ensure that it produces the accurate basis on which future local government projections can be carried out.

Ms Karen Buck (Regent's Park and Kensington, North) (Lab): Will my right hon. Friend join me in encouraging the hon. Member for Cities of London and Westminster (Mr. Field) to join the London Regional Select Committee, because we are engaging in an in-depth study on the census, working with various Departments, and we are missing representation from the Opposition Benches?

Madam Deputy Speaker: Order. We are certainly not straying into the subject of Regional Select Committees.

Mr. Denham: Having set out the challenge to local government, whereby we need to ensure that every taxpayer's pound works as hard it can, I should say that it is obviously important that the Government support local councils in making the necessary changes. That is why, with local authorities, this Labour Government have pioneered the Total Place initiative, which looks at all public service spending in each area and how it can best be used, together with local council and councils, with their democratic mandate, to ensure that local services respond to local needs.

I welcome the Opposition's recent belated recognition that the extension of further scrutiny of health and other public services is needed to equip councils with the powers that they need to act decisively on behalf of local residents, including the powers to scrutinise, influence and shape other services. In future, this means that local government will not just be overseeing its own services; in addition, councillors will be able to challenge how all local services are delivered, regardless of the provider. As the pre-Budget report confirmed, Total Place is not just a direction of travel but the future of local government and local public services under a Labour Government. The Opposition may make a rhetorical commitment to Total Place, but we have shown in past debates where their polices will lead: a postcode lottery as entitlements and inspection are abandoned, and two-tier "Ryanair" councils providing a most basic service and leaving only those who can afford to pay able to access a decent service. That is not the kind of localism that I want to see.

This is a good funding settlement. We have delivered average increases of 4 per cent., giving councils scope not only to keep council tax down but to deliver the crucial services on which local residents rely. I think I have shown that some of the promises being made by the Conservatives are unfunded and cannot be believed, and they need to be exposed as such.

Madam Deputy Speaker: I now have to announce the results of Divisions deferred from a previous day. On the motion relating to EU enlargement strategy, the Ayes were 403 and the Noes were 20, so the Question was agreed to. On the motion relating to infrastructure planning, the Ayes were 231 and the Noes were 196, so the Question was agreed to. On the motion relating to financial management, the Ayes were 230 and the Noes were 202, so the Question was agreed to.

[The Division lists are published at the end of today's debates.]

4.58 pm

Justine Greening (Putney) (Con): I thank the Secretary of State for outlining the Government's proposals on local government finance. I think that we all accept that the formula as it stands is extremely complicated. When the Under-Secretary of State for Communities and Local Government, the hon. Member for Stevenage (Barbara Follett), outlined it in this Chamber at the end of last year, there was some humour in the fact that the guide that now goes with the formula claims to replace the previous plain-English-speaking guide. Local councils find themselves having to deal with an incredibly complicated formula.

The three-year local government finance settlement has been important for councils, and we recognise that it is important for them to be able to plan ahead. However, this is the last of the three years, and the Government have effectively delayed—many people would suspect cancelled—the comprehensive spending review, which could have given councils the framework for the next three years and an idea of what funding there may be. We now seem unlikely to get that before the election. If I am wrong about that, I am sure that the Secretary of State will intervene. *[Interruption.]* He indicates that it is not in his hands; it will be worrying for local government to know that he is not pressing to have more certainty in future.

This is an important matter. It is not just councils that need to understand the funding regime under which they will be operating. As the Secretary of State clearly

demonstrated, it is important for families and local communities to understand the level of council tax and how the local government finance settlement could mean changes in their council tax bills, particularly as we are possibly still in the deepest, longest recession in many years.

Hazel Blears (Salford) (Lab): The hon. Lady has started her contribution with a lot of talk about certainty. I am sure that she would welcome my excellent Labour council's decision to give our community certainty with a council tax freeze. She is right that certainty is important for families and councils, so will she tell us here and now when her council tax freeze will start, when it will end and how it will be paid for? The country and the public have a right to know.

Justine Greening: We have already published all those data. I am sure that it is wonderful for Ministers to try to pick holes in them, but in fact they seem to be taking some of our suggestions on clamping down on waste. Having only a few months ago challenged us by saying that it was a case of investment versus cuts, they now seem to accept that we need to trim back public expenditure.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): Will the hon. Lady give way?

Justine Greening: I will not, actually. I have not even quite finished dealing with the intervention by the right hon. Member for Salford (Hazel Blears). As she said, there is a genuine appetite for a council tax freeze. It is just a shame that her party's Government cannot recognise that. We want to help local government deliver that, but her party wants to undermine it.

There was one question that I did not get to put to the Secretary of State. He would not rule out the revaluation that is coming down the track and could mean families paying hundreds of pounds extra. *[Interruption.]* Is he ruling it out? He says that there are no plans, but we have all heard the statement "There are currently no plans" in the past when we have known that there were. Preparation for the revaluation is well under way, and the Secretary of State's own local government body, the Labour group of the Local Government Association, in its document "Putting Fairness First", does not just talk about a revaluation but states that on top of that:

> "At the very least, the council tax needs rebanding. The addition of more bands at both the top and the bottom of the scale will help to make it a more genuinely progressive tax".

[Hon. Members: "Hear, hear.] We seem to be getting messages from Labour Back Benchers—perhaps the Secretary of State can confirm this—that Labour wants to continue adding bands and pushing up council tax for people across the country.

Mr. Denham: I repeat to the hon. Lady what I said earlier. We have no plans, and we have made no preparations, for a revaluation. With respect, she should really stop claiming that we have. We have said that often, and the constant repetition of something that is not true does not make it true.

Justine Greening: People reading *Hansard* tomorrow will see from that response that there is no ruling out of a revaluation or of more bands. We all know exactly what is going to happen if the British public are unlucky enough to face this Government being in power after the next election.

Dr. Starkey: Will the hon. Lady give way?

Justine Greening: No, I am not going to give way—not today, thank you.

What we need is a new approach to local government. We need an approach of localism that will move away from the trend that councils have seen under this Government, which is more micro-management, more reporting upwards, less ability to decide local priorities and more top-down diktat from Westminster. What people actually want in their local communities across Britain is the chance for their local council to spend money on their local priorities, not on the priorities that are so often set by the Secretary of State.

Ms Gisela Stuart: I would be grateful if the hon. Lady helped me. She said that the data on the council tax freeze have all been published, but I am at a loss as to when the freeze will start—I may have missed her telling us that. Will she say very simply, to help a simple person, when the promised Tory council tax freeze will start?

Justine Greening: We have always said that it would start in the first full financial year after the election.

Madam Deputy Speaker: Order. May I please bring the House back to order? We are discussing the Government's proposals.

Justine Greening: That is very helpful, Madam Deputy Speaker. It is interesting that Government Back Benchers are pressing the Opposition on when a policy will start, but will not admit when the next election will be. Pursuing that line of argument is disingenuous.

There is no doubt that council tax will be one of the most important things for people in today's debate. The bottom line is that whatever the Secretary of State says about funding for councils across the country, under Labour, council tax has doubled since 1998-99. In fact, people are being charged £14 billion a year more in council tax than when Labour came to power. That is real money taken out of people's pockets that they cannot spend on what they otherwise would have liked.

The Under-Secretary of State for Communities and Local Government, the hon. Member for Stevenage (Barbara Follett), came to the Chamber before Christmas and claimed that a 3 per cent. settlement—a 3 per cent. increase—was somehow reason for celebration among people who were, by and large, getting no pay rise in the private sector. If that 3 per cent. increase goes through, it will add £42 to the bill of an average band D home and push bills to more than £120 per month.

Ms Buck: Does the hon. Lady share my concern that while she is focusing on council tax—I agree that nobody wants to pay more tax than they have to—there is a risk that we are missing the impact of charges? My local authority, Westminster, is in the process of raising an additional £7 million from parking charges alone, and it is putting up meals on wheels charges by 10 per cent. and introducing a new charge of £20 for the disposal of bulky items, which leads directly to fly-tipping. Of

[Ms Karen Buck]

course, those costs fall directly on people to whom no rebate is available, with all kinds of unintended consequences for their purses.

Justine Greening: The Housing Minister has left the Chamber, but I propose that the hon. Lady talks to him. Only last year he was saying that only one in five councils were actually charging for the services that they could charge for. The pressure for councils to charge is coming from her Government, not from councils. Councils across the country are being asked to pay for services and to fund more and more mandates from national Government without being given the money to do so. They have had one part-funded initiative after another.

I want to return to council tax, because there are people in this country who have been unable to afford council tax increases. A typical pensioner couple, for example, now pays £685 more a year on a band D property than they paid in 1997-98. In fact, only half of eligible pensioners claim the council tax benefit to which they are entitled. Ministers ought to focus on those issues. The Secretary of State was reluctant to answer any of my questions, but if we have another term of Labour in office, households across the country will see even more council tax increases coming down the track, because of more bands and a revaluation. Ministers never rule the latter out, because it is clearly going to happen, which is why we need a council tax freeze.

Julia Goldsworthy (Falmouth and Camborne) (LD): The hon. Lady is doing a good job of highlighting the problems with the council tax, which since its invention has increased at above inflation each year. How can she reconcile all these problems with the council tax while defending its existence to the hilt?

Justine Greening: I guess that we would all love to know whether the Liberal Democrats would go ahead with their local income tax policy—[HON. MEMBERS: "Yes."] Well, it was not exactly popular at the last election, so that is probably good news for many hon. Members.

It is not only council tax rates that have been going through the roof under Labour. One of our biggest concerns is that this local government finance settlement is principally underpinned by receipts from business rates. The Government are about to press on with a business rate revaluation, which could fundamentally destabilise the main source of revenue for local councils and their services—

Mr. Denham: Will the hon. Lady give way?

Justine Greening: No, I wish to make some progress. That revaluation comes on top of the business rate rises that have been seen across the country, at a time when local companies can ill afford them—

Mr. Denham: Will the hon. Lady give way?

Justine Greening: No, I will not give way.

Dr. Alan Whitehead (Southampton, Test) (Lab): Will the hon. Lady give way to me?

Justine Greening: No, I really must make some progress—

Madam Deputy Speaker: Order. The hon. Lady has clearly decided that at present she will not give way to anyone.

Justine Greening: I am trying to respond to the Minister. We have some real concerns about business rates and we are worried that if Ministers go ahead with the revaluation they have planned it will destabilise one of the key revenues for councils—

Mr. Denham: Can the hon. Lady be clear that she is suggesting, as she did in questions last week, that the revaluation should not go ahead, knowing as she does that 60 per cent. of businesses would see an average of a £770 rate increase from April?

Justine Greening: The Secretary of State fails to recognise that the decrease for those companies is funded by increases for other companies. If the Government had looked at the impact assessment of whether those companies could afford the increase, he would be on stronger ground. The reality is that those getting the biggest rises far outweigh the number getting the biggest decreases. In eight out of nine English regions, more companies will see a 20 per cent.-plus rise than will see a 20 per cent. fall. The Secretary of State cannot claim that the Government are pursuing a strong policy when they have not even bothered to look at how the 40 per cent. of companies that face a rise will manage to pay it. If the Government's calculations are wrong—not that they particularly have any—business rate income could be destabilised.

It would be better to allow all companies to enjoy the minor reduction that they would all get from the inflationary decrease that would have resulted from the multiplier, had the revaluation not gone ahead. Instead of playing party politics, the Secretary of State should get out to the regions that will see the biggest losers and talk to companies about how they will afford to pay. Those increases alone could stifle the recovery before it gets going.

Dr. Iddon: In Bolton, the regional development agency has been very helpful to local companies. This evening, MPs from the north-west have been invited to a meeting of the Northwest Development Agency. What can I tell the agency about the likelihood that it will still exist in the unlikely event that the hon. Lady's party wins power on 6 May?

Justine Greening: We have said that it will be up to local authorities and local regions to decide whether their regional development agency has been effective. In some parts of the country, the feedback is that the agency has been effective, but in others it has not. It should be down to local areas to decide how they want to organise regeneration.

Hazel Blears: The hon. Lady's party has said that it would fund the council tax freeze partly by abolishing unelected regional tiers of government, so she has to be straightforward and honest. Will she fund the council tax freeze by abolishing excellent bodies such as the Northwest Development Agency? Again, we have a right to know.

Justine Greening: The right hon. Lady has completely misunderstood the funding for the council tax freeze. She has even, within 10 minutes, contradicted the Secretary

of State when he said that, apparently, he thinks that there is not enough in our advertising budget for our policy, which of course there is.

Mr. Pelling: Will the hon. Lady give way?

Justine Greening: So our policy is absolutely funded.

Mr. Pelling: Will the hon. Lady give way?

Justine Greening: That is one of the reasons why we would urge Ministers to match our council tax freeze, instead of saying that they want to see council tax raised when people can least afford it.

The settlement is part of a broader failure by the Government to work with local authorities. Under the Government, they have faced extra burdens, not just from top-down diktat, but because they have been able to spend less of their money as they would have wanted. That is one of the reasons for the pressures on council tax. In 1996-97, 22 per cent. of local government revenue expenditure was financed through council tax, but by 2006-07, that had risen to 26 per cent.

Mr. Pelling: Will the hon. Lady give way at that point?

Justine Greening: Councils are under so much pressure that they are being pressed to go out to their local communities and fund services by raising council tax. Local authorities now have a raft of extra measures to deliver that have never been properly funded. In fact, there is a live one here in London on concessionary bus fares—*[Laughter.]* I am sure that many Labour Members find that entertaining—*[Laughter.]*

Madam Deputy Speaker: Order.

Justine Greening: Thank you, Madam Deputy Speaker. That is of concern to many London councils, which face a shortfall of on average £1 million per council because the Transport Secretary has failed to—

Mr. Andy Slaughter (Ealing, Acton and Shepherd's Bush) (Lab): On a point of order, Madam Deputy Speaker. The hon. Member for Croydon, Central (Mr. Pelling) was on the Conservative Benches a little while ago—as a result he increased the number of Conservative Back Benchers by 50 per cent.—but he is now on the Labour Benches. I think that he ought to be heard at some point. I do not know where he is going to go next.

Madam Deputy Speaker: Order. That is not a point of order for the Chair, and the hon. Member for Croydon, Central (Mr. Pelling) is in fact an independent Member of the House.

Justine Greening: If the hon. Member for Croydon, Central (Mr. Pelling) wants to intervene, I will be delighted to give way.

Mr. Pelling: I am sure that the hon. Lady simply could not see or hear me—that is why I came across to the Labour Benches. I am grateful to her for giving way. May I compliment her on dealing with the shells that have been dropped by some of the heavyweights who have decided to take part in this debate and have a go at her? May I ask her two questions about the points that she has raised? She mentioned the heavy burden of local government taxation, and it is welcome that any incoming Conservative Government would freeze the tax. Does she feel that perhaps the council tax has come to the end of its ability to take additional taxation increases? Given that she is a Member of Parliament for a south London constituency, does she sympathise with some businesses that feel that it is a little unfair that the supplementary business rate that they are paying goes into Crossrail? There might be important things to do in south London communities using some of that supplementary business rate.

Justine Greening: The hon. Gentleman raises some interesting points. The first was about council tax and the pressures to increase it further. It should be up to local residents to decide whether council tax rises are affordable. That is one of the reasons why Conservative Members have talked about providing the ability for local residents to hold a referendum if they believe that council tax rises are unaffordable.

The hon. Gentleman also raised a point about Crossrail and supplementary business rates. The Government recently brought through the Business Rate Supplements Act 2009, about which we expressed the concern, when it passed through the House, that it could lead to extra burdens on companies. So I share his concerns about the concept of supplementary business rates—in fact, we have said that we want councils to be able to go in a different direction. We want to give them the power to levy a business rate discount, rather than a supplement. We need to give councils the ability locally to help regenerate their local economies, and I will come later to some of the incentives that we would like to see.

As I am sure the hon. Gentleman recognises from his own local council in Croydon, councils currently spend far too much time micro-managing Government initiatives and not enough time being able to tailor what they are doing locally to local community priorities. In fact, 36 out of 52 revenue grants for local authorities are ring-fenced, so it is simply not correct to say that local authorities are being given the freedom that they need to deliver for their local communities as well as they can. We would very much like the Government to move away from ring-fencing grants and towards giving councils more freedom to deliver on local priorities as they see fit.

Only today we heard the Prime Minister talking a good game, but the reality for local councils is that they do not see that change happening on the ground. As I mentioned to the hon. Gentleman, there is very little incentive in the funding formula for councils to deliver for their local authorities. Total Place has started to provide some of the fact base, as it were, for councils to be able to do so, but we should not kid ourselves. We are at the beginning of a long road towards councils being able to get out there and not just work with other local providers, such as the NHS and the police, and with the Department for Work and Pensions, but, more broadly, deliver value for money for their residents.

Mr. Bailey: I have listened with interest to the hon. Lady's arguments. In the absence of ring-fencing, could she tell me whether a potential Conservative Government would allow local authorities to raise their council tax to any level, without any action being taken?

Justine Greening: I have just said what we would hope to do on council tax. We want to give local communities the ability to set the cap. That should not be done in Whitehall. If local communities decide that a proposed

[Justine Greening]

rise is unaffordable, they should be able to stop it. I understand the hon. Gentleman's point, but it shows the difference between our approach, which is to trust local communities and local authorities to get on with running their own lives, and that of the Government, who take a top-down approach the whole time.

Mr. Bailey: Will the hon. Lady give way?

Justine Greening: No, I am going to make some more progress. I am conscious of the time and the fact that other Members no doubt want to express their views and represent their constituents.

The issue is not just about giving local people more authority to hold their local councils to account on council tax rises. We also need to put in place incentives, so that local authorities can benefit when they take good decisions on providing more homes for local people. Many local councils across England and Wales would say that they are concerned at the lack of house building that has taken place, but they have had to work within a framework of top-down targets that local communities have rejected.

Mr. Slaughter: It is wonderful to hear an Opposition Front-Bench spokesperson, however sincerely or not, talking about house building. Will the hon. Lady take this opportunity to condemn Hammersmith and Fulham council, which is planning to demolish 3,500 good-quality council homes?

Justine Greening *rose—*

Madam Deputy Speaker: Order. May I remind hon. Members that we are now discussing local government finance? That is the matter under consideration in this debate.

Justine Greening: Thank you very much, Madam Deputy Speaker. I was making the point that part of the funding settlement that we are talking about should reward local councils when they develop their local communities by providing new homes. We would also like local councils to have incentives, so that they are rewarded for doing a good job in developing their local economies and generating local jobs. That is why we have talked about allowing them to keep the gain from business rates that they make when they do a good job of bringing new companies and new industry into their local areas.

Finally, it is time to say that local authorities with local responsibilities need to be more accountable. Authorities such as Windsor are already being far more transparent, as is the Mayor of London, putting all spend over £1,000 out for public scrutiny. We would like other councils to follow that measure. Indeed, I am sure that when the Minister wraps up, she will say that she, too, would like that—I am guessing that she would not want to go against increased transparency. We certainly want local councils to have increased transparency for their residents, because it is the best way to create an environment in which councils can not only have more power to deliver on local priorities, but be better held accountable by their local residents in doing so.

Mr. David Chaytor (Bury, North) (Lab): In view of the hon. Lady's comments about transparency and accountability, can she give an absolute assurance that this Friday Opposition Front Benchers will support my private Member's Bill, the Local Authorities (Overview and Scrutiny) Bill?

Justine Greening: We are very supportive of moves to ensure that transparency is developed and improved in councils. We think that that is the best way to enable local residents to hold their local authorities to account.

In place of the local government finance settlement approach that we heard about from the Secretary of State, we want local communities and local authorities to be given more power to deliver their priorities on the ground. We want local residents to be able to cap their council tax if they think that that is their priority, rather than having Ministers do it whether it is or not. In the earlier debate, which you were here for, Madam Deputy Speaker, a variety of hon. Members complained about the fact that their police authorities had been capped, as local people were perfectly happy to pay more—their priority was to see more police on their streets. We think that that is the right way to go: to give local people the choice, rather than have it taken away.

Whatever the Prime Minister says this week, councils have nothing new to look forward to from the Secretary of State or from the Minister. It is more of the same when we look through this local government finance settlement. There is continued top-down ring-fencing of money that should be spent on residents' priorities, rather than Whitehall priorities. There is a continued lack of incentives for councils to develop their local communities and economies. There is continued pressure on council tax to rise, when family finances are stretched to the limit, because councils are asked to take up, on behalf of Whitehall, so many unfunded initiatives. There is continued micro-management and inspection from above, which costs money that could otherwise go into front-line services.

The bottom line is that we need to give councils the freedom that they crave to deliver better services and better value, and to deliver on the priorities that matter most to their local communities. However, as we have heard today, for that to happen, we will need a change of Government—it will not happen under this one.

5.27 pm

Dr. Phyllis Starkey (Milton Keynes, South-West) (Lab): I want to make a few observations and I will try to be brief because I know that many hon. Friends wish to speak. Like other hon. Members, before I was a Member of Parliament, I was the Labour leader of a council under a Conservative Government. I can attest that the experience under this Government, with their attitude to local government, although there are some things that I criticise them for, is light years away from the experience of council leaders under the previous Conservative regime. It attempted to set the budget of every council in this country, a Stalinist exercise that has never been exceeded and that, I hope, will never be emulated by any Government, and that is not to mention the gerrymandering of the grant system. That needs to be said. I know I am of an age that means that I perhaps have a longer memory than the hon. Member for Putney (Justine Greening), but take it from me: this Government are in a completely different, and much better league, as regards local government and the attitude of central Government to local government. Indeed I commend

the steps that the Secretary of State has taken to move the balance further towards local government, although he still has a long way to go.

I want to make a number of remarks following the hon. Lady's speech. The way in which her hon. Friends—apart from the hon. Member for Mole Valley (Sir Paul Beresford), my fellow member of the Select Committee on Communities and Local Government—deserted the Chamber and left her in an acre of empty Green Benches is distressing. I guess that they have done that because, like me, they were somewhat distressed by the innumeracy that she demonstrated, and her lack of understanding of local government finance. That is incredibly distressing in someone who wishes to become one of the Ministers in charge of it.

First, we are not talking about the national non-domestic rate, which is not relevant, but about the system of local government finance as it relates to the council tax. The hon. Lady must know that revaluation, unless each individual council chooses to use it as an excuse for increasing the total council tax take in their area, does not mean that everybody's bill goes up; it means that some people's bills go up and some people's go down. It is absolutely indefensible for her to continue in this way: either she does not understand it, or she is continuing to state something that she knows is not accurate.

Justine Greening: We have already had a revaluation in Wales, which did raise more council tax, so the hon. Lady should look at that example to see why we should be concerned about revaluation.

Dr. Starkey: The hon. Lady should look at the data she cites. The Welsh Assembly—I believe it was my party, but I am not making an excuse for it—took advantage of the revaluation hugely to increase the total take. The bills went up, because it decided to increase the amount of money raised. I am distressed to have to explain this to the hon. Lady, but that is how the system works. As a former chair of finance, I know the way the system works. A council decides how much money it needs to raise from council tax in order to fill the gap between grant income, charge income and what it takes from the reserves. It decides on the total amount it wishes to raise and then it turns to the city treasurer and says, "Looking at our local tax base, given the people we have in each band and so on, how much do we have to increase band D council tax to raise the requisite amount of money?" It follows that if there is a revaluation, unless the council decides it wants to increase the amount raised, some people's bills will go up and others' will go down. The Welsh Assembly example, cited all the time by Conservative Members, is not an example of revaluation leading to bills going up; it is an example of an elected council or assembly choosing to increase the total take and, of course, everybody's bills going up. It has nothing to do with revaluation.

Mr. David Heath (Somerton and Frome) (LD): I share the hon. Lady's experience of being a council leader under the Conservatives, so I can certainly corroborate what she said about that. Is not one of the problems with revaluation that the longer it is left, the more out of kilter the system gets, so that when the resultant rises inevitably come, they are even bigger for the losers? We have waited 20 years, so values are 20 years out of date. Are we going to wait for them to become 100 years out of date before somebody dares to carry out a revaluation or are we going to do the sensible thing, which is completely to change the basis of local government taxation?

Dr. Starkey: As I am the Chair of a Select Committee and not a Minister, I can say what I feel on this matter. If we continue to have a property tax—I believe that we should—we need to revalue relatively frequently; otherwise, it becomes distorted. Then, as the hon. Gentleman says, if we make the changes, those who gain will gain a great deal and those who lose will lose a great deal. I am personally in favour of such revaluation.

Dr. Whitehead: Will my hon. Friend reflect on the consequences for balancing of having a freeze on council tax? What, for example, might be the consequence in year 3 of the freeze, if it were imposed without replacing the money cumulatively lost through council tax, for central Government funding, especially if the figures were not entirely right? Unless central funding took over, would not the likely outcome be a huge avalanche of council tax rises in year 3, thereby decreasing still further the ability of local authorities to raise their own finance?

Dr. Starkey: Absolutely. My hon. Friend is a great expert on local government finance and I entirely agree with him. What he said suggests that any Opposition proposing such a policy do not really think that they are ever going to come to power, since they would still be in power when such an enormous hike occurred, thereby becoming incredibly unpopular.

There are other reasons why I believe the Opposition should reconsider their policy. I say this simply because I would not want my hon. Friend the Minister in any way to be tempted to take over such a policy from the Opposition. First, the whole basis of the hon. Lady's arguments rests on the supposition that the council tax is itself a problem. The hon. Member for Falmouth and Camborne (Julia Goldsworthy) made the point that I was intending to make myself, namely that the council tax was introduced by the Conservative Government after their disastrous introduction of the poll tax. They could not go back to the rates, which in my view is what they should have done, so they opted for a poor relative of the rates.

At least the rates had the advantage of being relatively progressive. It is not a hard and fast rule, but on the whole the bigger the property in which people live, the better off they are, and the bigger the property in which they live, the more they will pay in rates. It is also true that the bigger the property in which they live, the more they will pay in council tax, but because council tax is banded rather than being a continuous system like the rating system, the difference between what is paid by someone living in a small house and what is paid by someone living in a big house is nowhere near as great under the rating system as under the council tax system. The council tax is a much less progressive tax; indeed, it verges on the regressive.

If the hon. Lady and her party are truly worried about the burden that the council tax places on low and middle-income households, there is a simple way of dealing with that. Increasing the number of bands

[Dr. Starkey]

would increase the burden on those in big houses and on big incomes, and—since the total amount to be raised would remain the same—it would reduce the burden on low and middle-income households. I suggest that she consider that simple method, which, once introduced, would perpetuate the improvement in progressivity from year to year without the need for further changes.

Secondly, I want to deal with the proposal that some authorities' council tax should be frozen. The Opposition appear to be suggesting that a council that proposed to increase its council tax next year by 2.5 per cent. or less would receive a lump sum of 2.5 per cent. from the Conservative Government, in the ghastly event of their being elected. That is essentially adding to the Government grant system, but in a way that is not transparent and is in no way related to need. Effectively, it means giving money to councils if they are able to keep their council tax at 2.5 per cent. or below.

Mr. Speaker: Order. In the short time for which I have been in the Chair, the hon. Lady has expressed herself with great force and eloquence on the subject of the policy of the Opposition. I have just looked at the terms of the main business. We are supposed to be debating the question of whether to approve the Local Government Finance Report (England) 2010-11 and the draft Council Tax Limitation (Maximum Amounts) (England) Order 2010. I think that further ruminations on the policy of the Opposition would probably be outwith our scope, however enjoyable or stimulating they might be for the hon. Lady.

Dr. Starkey: Far be it from me to complain about your spoiling my fun, Mr. Speaker. I shall save the remainder of my interesting analysis for other occasions. I believe that the House has got the gist of my view. The suggestions that were advanced at some length by the hon. Member for Putney were indeed risible, and I am not surprised that most of her hon. Friends left the Chamber in order not to subject themselves to her speech.

5.39 pm

Julia Goldsworthy (Falmouth and Camborne) (LD): I welcome the opportunity to discuss the settlement. When I saw the Secretary of State in his place I thought that his presence might raise the tone of the debate, but so far it has not really done so, although I am sure that the hordes of Labour Members sitting opposite me have contributions to make.

The debate concerns the third year of a three-year settlement. Notwithstanding the banter that we have heard, it contains nothing particularly controversial. Many councils were very happy to have a three-year settlement. It has been delivered according to plan, and given what has been going on in the wider economy, I think that a number of them were grateful for the stability that it offered.

Mr. Heath: We would have been very pleased to have had that stability in Somerset, were it not for the incoming Conservative county council deciding that an increase in the money from the Government was a signal for it to cut massively the services it provided to Somerset residents. I cannot quite work out that paradox.

Julia Goldsworthy: My hon. Friend is right: that is an odd paradox. One would have thought that any incoming council would have been focused on meeting the needs of the people who had elected it, rather than on cutting services to them.

Let me speak a little more widely about some of the challenges councils have faced over the past three years, which is the period the settlement has covered. Councils have been feeling the pinch. The credit crunch has had an impact not only by putting pressure on the services that they have to deliver—if there are more vulnerable people, councils face increased pressures in trying to meet their needs—but in terms of the fees and charges they collect. They have already been feeling the squeeze, therefore, as the Minister for Housing acknowledged last year when he said this was a tight settlement. It would therefore be unfair to say that councils are in a luxurious position, given everything else that has been going on in the wider economy.

The Secretary of State rightly highlighted in his speech his concern about the impact rent increases might have on council tenants, and the impact of council tax rises on council tax payers, but we must also remember that there are huge pressures on councils, which in turn has an impact on the services they provide to vulnerable people. A number of terrible stories have been reported in the media recently, not least the case in Edlington. The knock-on effect of that case and the baby P case has created a massive pressure on authorities' services. I know from talking to people delivering children's services in my local authority in Cornwall that they have resulted in a massive increase in referrals, which they have to deal with, and they have also had a very negative impact on staff morale and turnover. Therefore, a lot of councils have fewer staff trying to deal with an increased burden.

It looks as though those pressures will increase in the future, because the Government's proposals to give councils the responsibility for delivering free personal care to people with high levels of need living at home is a cause for concern to a lot of councils. They believe that they are being asked to part-fund that by savings that have already been accounted for, or that they may not be able to deliver that care. This is part of a long history of the Government giving councils responsibilities for something that the Government then fail to deliver on properly, such as concessionary bus fares and free swimming. The delivery of personal care will be another example of councils finding that their resources will be stretched further to cover more responsibilities, while they are not necessarily given the resources to deal with that.

I want to emphasise, too, that we face uncertainty. The Secretary of State made great play of the certainty that his Government had given to local councils through the three-year funding settlement, but he said absolutely nothing about what will happen in the next financial year—not the one that has been dealt with by the settlement, but the subsequent one. Basically, councils are completely in the dark about what kind of situation they will be operating in. The spending review was due last summer, and we do not now know when it will appear, but it certainly does not look as though it will do so until after the election. The closest we got to having any information about that was in the pre-Budget report, when the Chancellor said that public spending as a whole would be frozen between 2011-12 and 2014-15.

The Institute for Fiscal Studies has today published its "Green Budget", in which it tries to tease out some of the implications of a real-terms freeze for Departments that have not been singled out by any party for protection. The following quote from the summary to chapter 8 of the "Green Budget" points out that

"spending on debt interest, social security and other 'annually managed expenditure' is likely to grow in real terms. Keeping to these overall spending plans would therefore require deep cuts in 'departmental expenditure limits' (DELs)—Whitehall spending on public services and administration".

It also said that the Government had

"promised to 'protect' spending on priority areas, including health, schools and overseas aid".

Once one takes out the protection of those areas and the increases in expenditure, the implication is real-terms cuts. The book says:

"These other areas—including defence, higher education, transport and housing"—

and, of course, local government—

"would likely see their budgets cut by 12.9 per cent."—

in real terms—

"on average over the two years or by £25.8 billion".

The book also extrapolated the Conservatives plans on ring-fencing over the four years, saying that

"if the Conservatives' plan to protect aid and the NHS were combined with the more ambitious tightening plan implied by their proposed fiscal targets"—

that sounds like that might be slipping a bit—

"then the cuts in their unprotected areas could be more like 22.8 per cent. or £57.1 billion by 2014-15."

So I do not understand why anyone is crowing about this amazingly "stable" settlement, given that it appears that next year we are about to disappear off the edge of a cliff and nobody is prepared to talk about what that actually means for services that have not explicitly been protected. We are talking about 3 per cent. real-terms cuts every year. By not coming clean and giving us an indication about this in a spending report, the Government are taking away from councils time to plan what they need to do and what services they need to prioritise. If councils had more time—if they had had from last summer or even from last October—they would be able to plan their services more effectively and smooth out some of the impact that such cuts will inevitably have on their services. If information is not provided urgently, councils will be preparing their budgets from October and probably having to carry out a slashing exercise on current services of which Freddy Krueger would be proud. All councils will be facing a nightmare on Elm street because they are not being told what to expect.

What does that mean for council tax payers? It raises a big question as to what will happen to council tax. In the past, there have been above-inflation increases every year since the council tax was introduced, but what impact would the introduction of capping have on services? It would certainly not help to sort out the public debt, because it would provide the Government with only a marginal gain from what happens to council tax benefits, so they would not obtain any advantage. What is most likely to happen is that there will be massive pressures on the council tax system, because if councils want to do anything to prioritise an important service, the only way that they will be able to find any discretion is through terrifying increases in council tax.

Mr. Pelling: The hon. Lady talks about uncertainty. If the Liberal Democrats had leverage over an incoming Government in a hung Parliament—*[Interruption.]* You have no reason to smile, because that is a possibility. In such a circumstance, what timetable would you have for introducing a local income tax?

Julia Goldsworthy: I will come to that, but the point I am trying to make is that this situation is urgent. Council tax payers will end up with council tax bill increases every year even though services are being reduced—that already occurs, but the extent of it will be more extreme. On the kind of extrapolations that the IFS has produced, there will be massive increases in council tax in return for massive cuts in local services. That will test the local government finance arrangements to breaking point.

We already have a system of gearing, which means that 75 per cent. of what councils spend is funded through central Government grants. That makes things difficult, but the situation will get harder.

Dr. Whitehead: I congratulate the hon. Lady on her relatively numerate presentation, in comparison with what was said by certain people sitting elsewhere in the Chamber. Would she care to speculate on the result for gearing of artificially holding down possible national increases in council tax so that a cumulative additional amount of central Government grant would have to go in to make up the gap and, thus, keep the total stable? As she has suggested, that would increase gearing still further over the years of that increase.

Julia Goldsworthy: I shall be coming to that point later, but basically the Conservative proposals would have the effect of disproportionately benefiting the people in the best position. They would make it more unfair. There are Conservative-run and Conservative-led councils, such as my own, that are unable to deliver the council tax freeze that their national party is asking them to. Those proposals would perpetuate those unfairnesses and could result in the system being even more centralised.

Mr. Heath: I am very worried about one of the two district councils in my constituency, Mendip district council. South Somerset is happily well run and has shown that it is very good at running its resources. Mendip district council has, over the years, massively cut its services and then massively increased both council tax and charges. It is now considered by the Audit Commission to be one of the worst run councils in the country. I am not sure that it could survive that sort of impact. The problem is, of course, that the one-time leader of Mendip district council, Councillor Ken Maddock, is now leader of Somerset county council, which has hitherto been a top-rated authority. I am worried not only that Mendip will go down the pan but that Somerset county council will deteriorate.

Julia Goldsworthy: That prompts a question about the motivation of such individuals in wanting to control a council. Is the aim to reduce council tax as much as possible, whatever the cost, or to provide value for money? They are very different things and it seems that the primary motivation is purely headlines rather than providing services in the best interest of local residents.

Mr. Pelling: The hon. Lady was quite right to underline how she is talking about the urgency of reform. She mentioned gearing, and a strong example of that is the London authority, where the gearing is one in 12—the system there is ridiculous. As there is urgency, do you feel that a Liberal Democrat-influenced Government would seek an urgent change to the local government financial system in the first year?

Mr. Speaker: Order. As this is the third time, may I remind the hon. Gentleman that the debate goes through the Chair? I do not feel or think anything on these matters, but I am sure that the hon. Lady does.

Julia Goldsworthy: As I was saying, one of the weaknesses in the current system is the fact that 75 per cent. of what local councils spend is not raised locally. A number of things can be done—some more quickly than others—to try to reverse that ratio. Another weakness in the system is the fact that taxpayers and business rate payers see no correlation between what they pay to their local council and what they end up getting from their local council. Again, when we end up with significant cuts and very difficult decisions, it makes matters even more painful. I know that in the period leading up to my election, I was told increasingly on the doorstep that the current system was unsustainable and that council tax was hated. I think that that problem will be magnified as we go through this process.

We must not forget, too, that the council tax system is incredibly inefficient. We need only look at the successful application rates for council tax benefit, for example, and at how many people are entitled to it who do not receive it. What will happen in a situation where there might be potentially significant increases in council tax? On top of all that, a range of public services are delivered locally outside local government that might well be subject to similar pressures for which there is no accountability. There is a fundamental question about the other services that are delivered locally outside the local authority. This will lead to the unsuitable state of affairs that we have seen for a long time becoming completely unsustainable. The kind of changes that we need do not simply involve providing longer funding horizons for local authorities, although of course that is helpful. It is not just about getting the funding formula or equalisation measures right or about fully funding any additional responsibilities that central Government pass on to local government. It is about a much bigger issue, for which this situation might provide a catalyst.

We have a massive disconnect between the people who are accessing public services locally and the organisations that deliver them. Changes need to be more than bureaucratic; they need fundamentally to alter the relationships not just between central and local government but with the people who use those public services. That is why it is depressing when there is an amusing bit of knockabout in the Chamber on familiar issues—revaluation being the obvious one—when the subject is a complete red herring, with people arguing at cross purposes and both sides holding intellectually unsustainable positions. It is not possible to say, "We think that the council tax system is great, but we think that revaluation is bad." If we want to keep the council tax system then we must, as my hon. Friend the Member for Somerton and Frome (Mr. Heath) has said, have regular revaluations. That is part of the system. If we do not like revaluations, we must rethink the matter and decide what is the most suitable way of raising taxes locally. It is embarrassing to hear the fake arguments about what is being considered and what is being done. If people really believe that council tax is the right system, they should stand up for the revaluation system.

In our previous debates on this issue, the most recent of which was on a Conservative Opposition day, the Conservatives have done an absolutely fine job of analysing the problem, but if they think that they will be in a position to run a Government, they need some ideas. Just being able to tell a good story is not enough. Their stance on the council tax freeze is a prime example of how they really do not get it. They are quite happy to talk about localism and to use some of the rhetoric that they think sounds great, but a council tax freeze would mean more centralised funding for local government and less local discretion over the delivery of public services. Their stance on that issue completely contradicts what they say they believe, and is nonsense.

The Conservatives' proposal on planning is also nonsense. They want to replace central pressures on house building with financial pressures. If one sets that idea in the context of what I said about the IFS "Green Budget", we are again talking about massive financial pressures on councils to approve huge developments, because that is the only way in which they will get additional income. In my view, housing policy should be based on what the local population needs, not on centrally driven targets or what are basically financial bribes. The priority should be local need, and policy should not be driven by financial incentives or central targets.

As far as I can work out, the Government's approach to this issue has been displacement activity. There has been a bureaucratic response, but what really needs to be addressed is how people are consulted, how decisions are taken about the delivery of public services and how money is raised. A classic example of the situation is provided in a document published by the Cabinet Office, rather than the Department for Communities and Local Government, which exemplifies the kind of approach that the Government take. I shall be interested to hear from the Minister how effectively she thinks the "Smarter Government" document and its implementation will help to engage communities on what will be difficult issues. There is a chapter on dealing with local priorities, and page 38 talks about how the Government will improve such relationships. One section states:

> "We will align the different sector-specific performance management frameworks across key local agencies—the NHS, police, schools and local government—thereby increasing the focus on indicators relating to joint outcomes. We will set out in Budget 2010 the key areas where frameworks for specific frontline sectors can be further aligned."

If that is a good example of engaging people, sorting out local government and making it more accessible, and if that is the kind of bureaucratic approach that will be taken, then we have a depressing world to look forward to.

Another area in which such ideas are being investigated is Total Place. I have a particular interest in this issue because of the many similarities to the Sustainable Communities Act 2007, which I presented as a Bill to Parliament in 2006, following up the excellent work of

Sue Doughty, the former MP for Guildford. A key strand of the Act involves the provision of easily digestible local spending reports that contain details of all public spending at local level. The idea behind the reports was that once that information was in the public domain, members of the public would want to have a say in how it could be better spent. It was part of a process to turn decision making around and make it work on a bottom-up, rather than a top-down, basis. The Government have decided, perhaps because that idea did not come from the DCLG, that they do not want to implement it as quickly as the tens of thousands of people who supported that campaign wanted it implemented. However, Total Place provides a way in which that information can be made available in a better way than is being achieved in the local spending reports under the 2007 Act.

Again, the Government have missed the point. They are making localism a worthy way of having local area agreements with knobs on, but they are not thinking about how to use it as a tool for engaging people, and are not using their expertise to ensure that the right things are prioritised and that money is spent effectively. It is very frustrating that the Government have missed the fundamental point of adopting a localist approach in the first place.

Instead of inertia and denial about the terrifying future facing a lot of Departments, we need radical action. We need a simplified, localist system of public services that is easier for people to understand and influence. The current difficult financial situation makes that more important, not less.

The Liberal Democrats have put the localist agenda at front and centre of what we want to do, and that stands in direct contrast to the approach taken by Labour and the Conservatives. The Government's compartmentalised approach spreads across departmental silos, but it is also evident within Departments: today's debate has made it clear that the section of the DCLG that deals with localism and participation does not feel any need to work with the section that deals with local government finance. The localist agenda must cut across both this and other Departments, although I am not convinced that that happens. It is beginning to happen with the Total Place initiative but, unfortunately, as with a lot of things, that is driven by the Treasury.

We need to encourage more cross-departmental thinking. The localist agenda is important now because some painful, difficult and controversial decisions will have to be taken on the delivery of local public services. Inevitably, they will have an impact on the front line in one way or another. We hear a great deal about how problems can be dealt with by efficiency gains, but that is not so—there will be dramatic cuts.

The IFS has shown how deep those cuts will have to be if we get a Labour Government after the general election, although a Conservative Government is likely to be even worse. The cuts will be really painful if the current set-up does not change. They will be imposed on communities, without involving or being properly accountable to the people in them.

The interim findings of the Total Place pilot revealed that councils spend an average of £7,000 per person on public services, of which only £350 is discretionary spending. There are likely to be a huge number of changes over which people will feel that they have no influence or say. It is important that that does not happen.

We need public services that are designed for, and accountable to, the people who use them, whereas currently we have a system that is designed for the benefit of the organisations involved in delivering them. The emphasis seems to be on administrative convenience, not on the interests of the people who use the services. A fundamental shift needs to happen, and it must cut across a variety of different areas. The tax system must change, so that the taxes that we pay locally no longer disappear into the Treasury to be spent elsewhere. We can achieve that by localising business rates and moving to a system of local income tax, although we would like to allow the councils that are keen to trial that system to pilot it first.

Money that currently goes to remote and unaccountable organisations could be redirected towards putting local communities in charge of economic regeneration. In addition, the housing revenue account needs to be sorted out, so that councils have greater freedom to borrow and invest in council housing. We also need to give people a proper say on decisions that affect them in other areas.

The approach that I am outlining would get rid of unaccountable quangos, but it would also have implications for electoral reform. The Prime Minister may have had a deathbed conversion to that yesterday, but he seems to be interested only in the Westminster Parliament. If we are serious about engaging people in politics, we must realise that there are thousands of politicians around the country who are in the same boat as we are.

People will have their faith and confidence in politics restored if politicians of all kinds go out and prove to them, on their doorsteps, that their vote counts and will make a difference. I was therefore very disappointed that yesterday we saw only baby steps taken for the Westminster Parliament. No such steps were taken at the level of local government, even though some progress in that direction has been made in Scotland. We should remember that the crisis in confidence in politics is not exclusive to Westminster.

That is the kind of debate that we should be having about the future of local government finance, and of local government more widely. I am disappointed that the Government have not proposed ways to deal with the fiscal crisis that we face and to ensure that people have a say and a stake in the process. The Government continue to assume the worst of local authorities and local people, while presuming that every action taken by central Government is in the best interests of those people and is the best possible outcome, which is certainly not the case. As we go forward into a fiscally tight situation, that is even more important.

Labour should have come clean on what their proposals will mean for local government, instead of denying that there is any problem with the current set-up. It seems that the Conservatives are intent on cheering them on in that double delusion. We need real change for a fairer, greener and more local system of politics.

6.5 pm

Mr. Neil Turner (Wigan) (Lab): I welcome the settlement. It is an extremely good settlement for local government and builds on more than 10 years of above-inflation

[Mr. Neil Turner]

grants to local government. It is particularly welcome because the circumstances in which it was first mooted are very different from the present circumstances.

In the 1980s and 1990s, when the Conservative Government's home-grown recessions were putting pressure on local government, I remember the kind of things that they were doing. It must have been a temptation for my right hon. Friend the Secretary of State to follow their lead, with cuts in money, cuts in the percentage of funding that was given to local authorities, and cuts in the freedom of local authorities to act.

I was a councillor in the 1980s and 1990s and my local authority, Wigan metropolitan borough council, was losing £8 million to £10 million year on year because of the way in which the Conservative Government dealt with the recession. There was no planning or forward thinking. We got the first indication in November or December and confirmation in February, and we had to start planning our cuts from 1 April. It was a disaster. Cuts were implemented with no thought given to efficiency. It was inexcusable. Programmes were abandoned halfway through because we had been told that we could not have that kind of money. The Government could have done the same this year.

Mr. Bailey: I was chair of finance at Sandwell metropolitan council during those years. I reiterate my hon. Friend's point. After one settlement, we would start planning for the projected round of cuts in the next settlement. That continued for four or five years, and we ended up with large council tax increases combined with a slashing of public services to keep within the Conservative Government's revenue support grant.

Mr. Turner: My hon. Friend replicates my account of my own experience, which is shared by many people who were councillors in Labour-controlled authorities, in particular. As was pointed out by my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey), who is no longer in her place, the Conservative Government used to gerrymander the system of grants to suit their own local authorities.

The Secretary of State could have done that, in response to the world recession that we are in, but he did not. Unlike the Eton old boys, we have learned some lessons. We learned not just in the 1980s and 1990s, but in the 1930s, that the way to make sure that we come out of a recession is not through public sector cuts, but by investing in that to slow the recession down and by investing to grow for the future.

The effect of the present policy, compared with the 1980s, is remarkable. In my borough, we have half the number of job losses that we had in the 1980s and 1990s, half the number of mortgage repossessions, and half the number of businesses going bust. Local government is a major factor in that. Obviously, central Government play a hugely important role, but local government is able to put the funds from central Government into ensuring that people's homes are protected, businesses are supported and jobs are saved.

Mr. Pelling: Would not local authorities be even more effective at economic development if we returned to them what a Conservative Government took away, namely full discretion over business rates? They could then run their cities and towns competitively in order to attract business and prosperity.

Mr. Turner: The proposal to return business rates to local government has a lot of merit, but it should not be considered in isolation. If we are to look at how local government is financed, we must do so in the round, rather than through a single issue, as I am sure the hon. Gentleman understands and agrees. However, I take on board his point about the return of the business rate to local government.

One major thing that we have done over the past few years is introduce the certainty of three years' funding, ensuring that local government is able to forward plan and develop strategic responsibilities. That has been a major element in the improved efficiency of all local authorities. The National Audit Office's figures show that almost every single local authority throughout the country, irrespective of party control, is more efficient and more effective than it was in 1997 at delivering its services. A major aspect of that has been the ability to plan three years on three years, rather than having to go hand to mouth as we did in the past. I do not know where the Opposition stand on that process, but it would be interesting to hear an indication—something that we could hang on to. Will they continue or abandon the three-year process?

Justine Greening: Our concern is that the Government have abandoned the process. There is no comprehensive review and, apparently, no prospect of one. The hon. Gentleman would be better off asking the Minister whether his own Government have abandoned it, rather than asking the Opposition whether we will.

Mr. Turner: The Government have not abandoned that process. Clearly, we have a problem with the comprehensive spending review, and we all know that, but it would be nonsensical to undertake a comprehensive spending review immediately before an election that could lead to a change in Government, as it would have been in an economic downturn, which could have been a depression if we had followed the economic advice of the Conservative party. The Government's policy is that the three-year settlement will continue from next year.

Despite the hon. Lady's intervention, there was no commitment from the Opposition to a three-year spending review or package, but if local government is to plan properly it needs that commitment. If you want to think about the things that local government needs, you really ought to think about that, rather than some of the nonsense that you were coming out with earlier.

Mr. Speaker: Order. May I just gently say to the hon. Gentleman, as I said to the hon. Member for Croydon, Central (Mr. Pelling), that debate is conducted through the Chair? I know that the hon. Member for Wigan (Mr. Turner) did not intend to abuse me with the pejorative language that he just deployed, but it would be good if he avoided a repetition.

Mr. Turner: Thank you, Mr. Speaker. Perish the thought that I would ever do anything to earn your wrath and ire.

I shall provide a couple of examples of what the three-year funding certainty has given us. First, on housing, we have 26,000 council houses in Wigan, and

every single one has been brought up to the decent homes standard. We have been able to do so not only in the public sector, but in the private sector, where many thousands of houses have also been brought up to that standard. That is largely due not only to Government money, but to the certainty of being able to plan year on year.

Secondly, on education, we have been awarded a Building Schools for the Future programme in Wigan. That has now started, and we have a programme to rebuild every secondary school in the borough. I should also mention three primary schools: Canon Sharples, Woodfield and Westfield. For years under the Conservative Government, pupils at Woodfield were taught in timber huts, where in winter they were freezing and in summer they were sweltering. We have totally rebuilt that school under a Labour Government, and shortly we will start on Beech Hill primary school.

Most importantly of all, throughout the borough we have 19 Sure Start centres. These are not just glorified nursery schools; that is only part of the job that they do. They are also places where parents learn parenting skills. We do not live in a broken Britain—a silly, trite phrase; if we did not know better, we would think it was thought up by some second-rate advertising trainee—but we do live in a Britain where there are people and families who have very difficult problems, and Sure Start is one way of addressing those problems. Mums—many of them are 15, 16 or 17-year-olds—who come from dysfunctional families can go to Sure Start centres and start to learn how to be good parents and how to be communicative beyond their small peer group. They can learn social skills and, equally, the skills that can get them into work once their parenting responsibilities are less onerous.

Sure Start is absolutely essential to the long-term programme to give children from dysfunctional families, and those families themselves, a better start. They benefit from going from these facilities into much more modern primary schools, and then into modern secondary schools built under this Labour Government's Building Schools for the Future programme, which the Conservatives have not yet said that they would continue with in government; in fact, as I understand it, they would reduce it dramatically, if not scrap it completely. This is a whole package of long-term reform that will reap rewards not only next year but 10, 15 or 20 years down the line. It would be class vandalism for any party to stop or reduce any part of that investment in our people's future.

We have come a long way, but we could go further. We should implement not just a three-year settlement for local government but a rolling three-year settlement so that every year people will know three years in advance how much money they will be getting. Local government would then be able to plan even more effectively than it does now. I understand that it is not for the Department for Communities and Local Government to make that decision—it needs to be decided throughout Government, and with Treasury agreement. However, it would enhance local government's ability to deliver its services more effectively and efficiently, and there would be benefits to the public good as a result.

With local area agreements, relaxed targets, Total Place agreements between councils and health trusts, we have come a huge distance, but we need to go further. The council tax system is inherently unfair. It was designed to be unfair, so producing such a system was one of the few things that John Major managed to succeed in. It surely cannot be right that a millionaire old Etonian in Notting Hill pays only three times more in council tax as a minimum wage earner pays for the same local services. I personally like banding. It is simple to understand and to administer, but we need to reform it. We need more bands at the bottom and more bands at the top—an open-ended banding at the top, I would suggest—so that, as my hon. Friend the Member for Milton Keynes, South-West (Dr. Starkey) said, the amount of money that is paid more accurately reflects the income of people and their ability to pay for those services.

Revaluations should be carried out on a regular basis. We should never have cancelled them in the first place—we should have gone on with them at the beginning of this Government and done them again since. As the hon. Member for Falmouth and Camborne (Julia Goldsworthy) said, if we do not do this we will bring the whole system into disrepute; it will become similar to the poll tax in having to be totally reviewed in future. We can do that revaluation—it is not a difficult exercise. Every month building societies tell us by how much house prices have risen or fallen over the period. If they can do that on a monthly basis, I do not see why the Government, via the Valuation Office Agency, could not do it every four or five years. Let me reiterate what my hon. Friend said, because it did not seem to have any impact on the Conservative spokesperson. This is a zero sum game. Having a revaluation does not mean that local authorities will get more money. They may choose to get more money from it, but that is a different issue and a different argument. Some people will pay more, and some will pay less. It is important that there is some kind of damping effect in revaluations so that those who pay more are not suddenly faced with 10, 15 or 20 per cent. increases but they are brought in gradually. It is absolutely essential that we have revaluations if we are to ensure that the system does not fall into disrepute again.

The final area in which we need reform is the grant itself. The formula is about right, as it recognises deprivation and the needs of councils to tackle the problems that come from that deprivation. It also recognises rurality and the extra costs of delivering services in sparsely populated areas, but it has not been fully implemented. We are still suffering from the disgraceful way in which the previous Conservative Government gerrymandered the grant to their own local authorities. In the years from 2008-09 to 2010-11, Wigan will have been underfunded by £8 million, £6.5 million and £5.5 million respectively—a total of £20 million over those three years.

There is no doubt that there has been year-on-year improvement, and it has ensured that we are getting closer to the target. We have moved from 6 per cent. below it in 2008 to 4 per cent. below now, but we have to quicken that pace if we are to tackle deprivation properly in areas such as mine. That is all the more important when councils are linked in with primary care trusts. One difficulty is that local authorities and PCTs are now delivering services on a common basis much more. They have common offices, pooled resources and joint funding. When a local authority is underfunded, such

[Mr. Neil Turner]

as Wigan and many others, the PCT that serves the same area is underfunded. In Wigan, the PCT was underfunded by £26 million in 2008-09, £25.5 million in 2009-10 and £25 million in 2010-11, so £76.5 million that should have gone to Wigan borough for its health services has not. If we want to tackle the health and social inequalities that exist in our country, we must urgently tackle health and local authority funding inequalities.

There is no doubt that that would cause problems for local authorities that are overfunded. I heard the hon. Member for Richmond Park (Susan Kramer) complain about the funding for Richmond. We hear a lot from the Liberal Democrats about the fact that they believe in equality, yet here we can make an impact in that regard by reducing the amount of money that Richmond gets—it receives more than 200 per cent. more than it is entitled to. We could reduce that and put it into areas such as mine that are underfunded.

Julia Goldsworthy: I think that my hon. Friend's point was that the situation is a bit similar to that of the council tax revaluation. The longer the period over which we try to deal with such issues, the more out of kilter they get. That makes it more painful for areas waiting to get up to their target funding, and more painful for areas that are a long way above their target to get back down to it. Because the problem has not been addressed over a shorter period, it has become even more of a problem to deal with.

Mr. Turner: That is not my understanding of what the hon. Member for Richmond Park said—I will read *Hansard*. I believe that the hon. Member for Falmouth and Camborne agrees with my point that we need to move more quickly towards the formula funding, so that each local authority gets the grant that it is entitled to under that formula. I welcome that agreement, as it is very important that that happens as quickly as possible. The pace of change is vital to local authorities if we are to achieve things.

Finally, I welcome the confirmation of the settlement, which I hope will make local authority funding more effective and better in future. The three-year settlement builds on 10 years of growth in funding and allows local authorities to plan. Because of all the things that the Government have done over the past 12 years, local government is in a much better place than in 1997 when we came into power.

6.24 pm

Sir Paul Beresford (Mole Valley) (Con): One of the delightful things about this debate was that the Secretary of State launched it, which is a little unusual. He gave a premier performance. He managed to present figures by using percentages where they were appropriate and actual figures where they were not—it was the performance of a magician, and I look forward to Debbie McGee following it up at the end of the debate to solve the whole thing for us. I suppose, as it has been put to me, I am speaking from a position of poacher turned gamekeeper, or watching from the sidelines. Today's debate has been intriguing. We have wandered round all over the place before eventually coming back to the subject, which I intend to keep to.

The Minister said that the Government gave a generous cash increase of 4 per cent. to local government. In those broad terms, as a headline, that is correct, but as with all local government announcements, those who gain are silent, with one or two exceptions, such as the hon. Member for Wigan (Mr. Turner), and those who lose complain. In London and the south-east, local authorities have had plenty of opportunity to complain and plenty of reasons to do so. In a way, it is fortunate that they have recognised that we are at the end of the three-year cycle and that they are looking for post-election changes, whoever the Government will be. They have knuckled down to produce savings, to ensure that they provide better services at a lower cost, so they do not hit their local citizens with high charges.

What has happened under the 4 per cent. increase has varied. The Chairman of the Select Committee touched on this but skidded off it almost immediately. A recent Committee report, "The Balance of Power: Central and Local Government", reflected on local government expenditure and local council tax. Successive Ministers, some of whom have attended the debate, would tell us that the ties, targets and bureaucracy for local government have diminished, which they have. However, one must recognise that they have diminished from the enormous high that this Labour Government introduced. There has been a knock-on effect on expenditure and, because of gearing, a massive effect on council tax.

The cry from local government, which is still valid, is that it wants the bureaucracy, auditing, ties and so forth removed, and local councillors, who have been elected by local people, to be given the opportunity to get on with the job with the minimum of direction from above. The implications of that include considerable savings for both central and local government—an easy example is the Audit Commission, which is five times the size it was in 1997.

As a response to that reaction by local government, the Local Government Association recently produced a paper that said it could cut the total bill for local government by £4.5 billion, with a positive knock-on effect for central Government. If that were extended to the structure of local government finance, there could be large reductions in council tax, because there is reverse gearing. Gearing was mentioned earlier, but if savings were made in the right sort of areas, there would be reverse gearing, so council tax would go down.

Perhaps the Government will heed those points. After the election, whoever wins, I hope to have the opportunity to take the new Secretary of State to some local councils—I am thinking in particular of one that my hon. Friend the Member for Putney (Justine Greening) knows. I want to have people explain to him or her in no uncertain terms just how damaging the current Government have been to local government, regarding not financing, but the burdens they have placed on it.

Of course, the behind-the-scenes selective local government funding cuts have not come up in the debate. As I said, we are at the end of the three-year cycle and there are going to be changes. One problem with a set three-year cycle is that the Government are inflexible. In the current financial situation, it would be risky for them to be too dogmatically tied to a three-year spending cycle. Over the next three years, flexibility will be required.

Local government claims that its cost inflation is running at approximately 3 per cent. In the light of that, the 4 per cent. is generous, but the distribution, even under this Government—or perhaps particularly under this Government—is slanted. For example, it has not been mentioned tonight, but for most authorities in London the grant increase is only 1.5 per cent. Many of those authorities, especially in inner London, face the sort of dire problems that the hon. Member for Wigan raised. Those authorities are struggling with those problems, although hon. Members have failed to recognise that and, indeed, have criticised the funding for two inner-London authorities, one of which I know quite well. It would benefit those complaining to take a tour of those local authorities to see what has been done with much less money than in other local authorities around the country.

There will be the threat of capping, but those London authorities will probably look for, and find, efficiency savings so as not to pass excessive costs on to their council tax payers. The same applies in many south-east authorities. My constituency receives services from Mole Valley district council, Guildford council and of course Surrey county council. All are Conservative controlled and all would have been delighted to have received a 4 per cent. increase in grant. In fact, going by trends over many years, they would have been utterly amazed. Guildford's formula grant increased by 1.45 per cent.—not by 4 per cent. This 1.4 per cent. increases Guildford's grant to approximately £62 per head. The average for English district councils is approximately £79 per head. Mole Valley district council would have been delighted with Guildford council's increase, let alone the 4 per cent. Government headline, because it received a 0.5 per cent. Government grant increase. Following the same trend, Surrey county council's grant increase was 1.5 per cent., which follows on last year's 1.75 per cent. and the year before, which was 2 per cent.

Mr. Neil Turner: I look at the figures for Mole Valley and I see that it will receive 30 per cent. more than the formula funding says that it should get in 2008-09, dropping to 21 per cent. more next year. How can the hon. Gentleman justify any increase above the floor when the council already receives so much more than it is entitled to? Moreover, half of the super-output areas in Mole Valley are in the top 10 per cent. most affluent in the country.

Sir Paul Beresford: It might help the hon. Gentleman if he took half a day to come with me to some of the Mole Valley villages, which have deprivation to match anything he has in Wigan. In addition, he should think back to when we had an Office of the Deputy Prime Minister and the funding formula changed dramatically. That change reduced the grant to Surrey county council and the local district councils dramatically. The year-on-year loss to Surrey county council was £39 million, and that loss was reflected by the other councils. The hon. Gentleman should reflect on the fact that the money moved with the change in the formula, but that does not mean that the formula is right.

I accept that there are differences in needs from authority to authority, and that this must be reflected in the allocation. But even the Audit Commission a few years ago commented on the fact that there had been a huge shift of grant from London and the south-east to the north and predominantly—at that stage—Labour authorities. The needs indices calculations are opaque. They are much more unintelligibly dense and complex than pre-1997. Pre-1997, shadow Ministers claimed that they would make the formula more transparent. I note, with some trepidation, that my own Front-Bench team says the same. Of course, it is always a balance. The more transparent and less complex a formula, the more there is rough justice. The fairer the assessment system—taking into account detailed needs—the more complex the formula. However, recent Government formulae have been designed to justify grant movement north despite increasing pressures from population, increased school rolls and increasing Government bureaucratic red tape in London and the south-east. I hope that we will have a new Conservative Government, who will have a massive reorganisation on their hands. It is overdue.

6.34 pm

John Howell (Henley) (Con): I spoke in a similar debate a year ago when we discussed the previous financial settlement. I struggle to see where the massive improvement that the Secretary of State talked about in his opening remarks has come from. Instead, there is greater uncertainty, and the attitude of central Government to local government during this year can be described only in terms of a master-servant relationship. One specific piece of legislation illustrated that fact for me and many other hon. Members when it was in Committee and as it progressed through the House earlier in the year, but I shall come to that later.

Is the settlement really an attempt, as the Secretary of State made out, to talk up a Labour view of localism? I cannot recognise it as localist, and I do not think that any councillors could either. Overriding everything is the feeling of utter powerlessness of councillors, and that was one of the major reasons many stepped down at the last elections. Many still have that feeling of powerlessness, and nowhere is that more apparent than when it comes to money and their ability to set their own budgets.

The Secretary of State referred to the importance of this time of the year, not just in relation to this debate, but because of the budget setting that many councils are going through and how the information before us feeds into it. My former colleagues on my own county council remain as frustrated and disappointed as I used to be every budget time because of the little influence they have in setting the budget and allocating money to their own priorities in the area covering a range of different subjects. That is partly a question of ring-fencing, and again the Secretary of State made great play of having improved the business of ring-fencing.

In preparation for this debate, I asked my local council to give me an idea of the ring-fenced and non-ring-fenced balance amounts. I have an e-mail from the finance and procurement team stating the latest grant figures for 2010-11: a total of £526.2 million, of which £484.8 million is ring-fenced and only £43.2 million is non-ring-fenced. When it comes to councillors being able to use the money and make changes according to their own lists of priorities, even major councils with overall budgets of about £1 billion have just a few tens of millions of pounds at the most. That is not the reason councillors—there are many former councillors in the Chamber—stood for election.

Mr. Pelling: Does it not have a tremendously debilitating effect on both the quality of candidates and on voting if people do not feel that councillors have real influence in the community or can make a difference? Is it not in many ways a reflection of the pretty poor state of British politics? Does it not in reality underline how the Executive continue to absorb powers whether from Parliament or by abstraction from local discretion?

John Howell: The hon. Gentleman makes some powerful points with which I agree. The Local Government Association has done some survey work showing that a large majority of people think that councillors should have the ability to make financial decisions. If anybody is to cut anything in their own area, they believe that it should be local councillors, who stood for their position, and over whom they have a great deal of democratic control and see regularly. I worry that if we carry on like this, it will be more and more difficult to recruit people to stand for election, because what will be the point of standing for election?

The challenge of running an authority with a budget of £1 billion is completely frustrated when one gets down to the £20 million that can be distributed. The talent that is out there—the people who would otherwise come in and make a contribution—will simply go elsewhere, including to the golf course. I have nothing against golf, but if I had to choose between recommending that somebody play golf in their retirement and recommending that they be a councillor, I hope that I would be able to persuade them that it was still worth becoming a councillor.

Ring-fencing has clearly made no impact whatever on the current situation. However, formal ring-fencing is only part of the problem, because even where it has been formally lifted and the funds transferred to the area-based grant—I am thinking of the Supporting People grant—it is still not possible to show genuine localism. Are the Government seriously saying that simply transferring the Supporting People grant to the area-based grant will give councillors the choice between spending on the Supporting People programme and spending on roads? That simply will not happen. In addition to legal ring-fencing, there is therefore also a practical ring-fencing that has happened with many grants, even where they have been shifted.

We also need to focus again on the need for certainty. There are some examples, which I shall come to, of the Government creating considerable uncertainty about the funding for local councils. However, I do not accept the points made by the hon. Member for Wigan (Mr. Turner) about the reasons why his Government have not pursued a three-year settlement, particularly when the Local Government Association has shown that the funding gap by 2013-14 is likely to be in the region of £11 billion a year. That level of uncertainty is difficult for councils to live with.

The Secretary of State also boasted of the overall increases in local government funding under this Government's administration. However, if he is going down that line, he has to look at the totality of individual councils' settlements. He can no longer concentrate on only one side of the profit and loss account. If he is going down that line, he has to accept the other side of the profit and loss account: the cost side, and the increases in those costs. Indeed, the percentage of expenditure that is borne by council tax increased from 22 per cent. in 1996-97 to 26 per cent. in 2006-07.

Councils in my area have experienced a couple of issues that illustrate that point, and one of them is personal care at home. I know that that was covered in the House recently, but there are some specific issues about it, one of which is the cost. It is difficult to know what the cost will be. The Government have produced some airy figures, but it is difficult for councils to assess what the costs of the measure will be to them. First, there would be a loss of income from some of those who currently pay for care arranged by the council. Councils will need to assess what that loss might be, but that is not straightforward. It involves reviewing the detailed circumstances of everyone who currently receives domiciliary care to see whether they would be eligible for free personal care.

Secondly, some people will have not presented themselves to adult social care, but will decide to come forward if they can obtain care for free. Trying to work out the figures for that is almost an imponderable, but given the experience in Scotland, they are likely to be great. The other aspect of personal care at home is about placing the risk and determining where it lies. Given that the amount proposed for personal care at home in the area-based grant will be fixed, all the financial risk will be put on local authorities if the costs are higher than anticipated. The Association of Directors of Adult Social Services has already made its estimate, which is considerably higher than the original costing in the Budget. There is a review of that in 18 to 24 months, so that could leave significant pressure on councils until any changes are made.

The council side of that funding is supposed to come out of more efficiency savings. I rather took exception to the Secretary of State's comment that, when councils had shared services and shared their management with the primary care trust or whatever, they could complain about being made to make efficiency savings. My own county council and district council have shared services that are in operation; in fact, I was the person at the county council who put that in. The councils have shared senior management. We share a director of public health with the PCT. My district council has shared management with the neighbouring district council. Both those councils have year after year had robust and aggressive efficiency saving targets, which year after year they have met.

Perhaps in the winding-up speech the Minister—or if he would like to intervene now, the Secretary of State—would like to tell me what I am supposed to tell councils such as my own, which have already gone through the pain of that, registered that pain with their voters, come through and increased their majority at the county council elections. They will feel insulted that they are dismissed in that way and that all that effort and pain was, in his idea of things, for nothing.

Two other issues arise in respect of pressures on funding. I have no idea how widespread those issues are. I suspect that one is more widespread than the other. One is unaccompanied asylum seeker children. There have been ongoing pressures in that area in Oxfordshire since 2002-03. There was a special circumstances grant of just under £500,000 in 2008 for 2008-09, but it does not reflect the ongoing shortfall, and the current forecast for 2009-10 is for an overspend of £800,000. There is no suggestion that that will be funded by central Government.

The last illustration of an area that has not been costed is the abolition of the Learning and Skills Council. That will pose a major challenge for directorates in county councils, which will have to reorganise their services to deliver what the Government want. There is not expected to be any additional funding to enable that to happen. There are burdens, too, from the micro-management of partnerships.

At the evidence session on the Child Poverty Bill, Paul Carter, leader of Kent county council, discussed the big outcomes of the first round of local area agreements. He admitted to having been a sceptic initially, but he was won round by the size of the outcomes. However, he complained bitterly about how the LAA had descended into micro-management and had become far too complex, and with that complexity will come considerable cost.

There are initiatives that could make a big difference on the cost side. One of them has been mentioned by many hon. Members, and that is Total Place, which is not just about the money that is saved by eliminating duplication. It is also about how services can be reconfigured. I want to stick to the money part of it. There is huge criticism of the way it operates. Again, at the evidence session on the Child Poverty Bill, the leader of Kent county council made it clear:

"There is still a silo mentality across the public agencies, which are acting in isolation and not in concert. If you can get them all working together in a defined area with the totality of their budgets...public agencies will start to deliver things in a fundamentally different way."—[*Official Report, Child Poverty Public Bill Committee*, 20 October 2009; c. 53, Q124.]

However, the biggest culprit as regards participating in an open way with Total Place is the Government, particularly the Department for Work and Pensions. Richard Kemp, the deputy chairman of the Local Government Association, who is a councillor in Liverpool, provided an example. He said:

"In my area, someone from Jobcentre Plus was supposed to be leading the worklessness stream, which is of vital importance in Liverpool. She pulled out because she said that it was not part of her day job, although we were trying to create a partnership to help her do her day job in that case."—[*Official Report, Child Poverty Public Bill Committee*, 20 October 2009; c. 63, Q137.]

The Government really need to look at themselves if they are to establish how they are going to make Total Place work.

I mentioned the evidence sessions on the Child Poverty Bill because this provides a very good example of the master-servant relationship that we have seen between central and local government this year. I will not detain the House by recapping the Bill, but broadly speaking, the Government set national targets in the first part of the Bill and then handed it all over—just dumped it—on to local government in the second part. They ignored the fact that many councils were already doing a tremendous amount of work, and they imposed a new duty that many people, including those we took evidence from, consistently said was not necessary. They imposed a level of bureaucracy, which must have a significant cost element to it.

When it came to the impact assessment, however, it showed a minimal cost amount. That is hardly surprising because the meat of the Bill was in the secondary legislation, which had not yet been introduced. How on earth was it possible to make an accurate costing of the effect on local councils and their budgets—in other words, how much would need to come from council tax—if the very secondary legislation was not there, not even in draft form, to enable such an assessment to be made? That is highly illustrative of the Government's approach and attitude towards local government. That is another nail in the coffin for people with talent, interest and enthusiasm coming forward to take part in local government.

It is time for the Government to play fair with councils and with council tax payers. It is time for some real localism and it is time that we set out to encourage real innovation. It is lying out there among the general public. They need to be brought into local government so that they have a chance to show their innovation, particularly in the delivery of services and particularly in the costing of those services so that they deliver real value for money.

6.52 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): Many of us have confessed our local government experience, and I probably have more to confess in that respect than others, as I was elected to Croydon council in 1982, serving there until 2006, and I also served as a London Assembly Member. If I am allowed to be a little sentimental, I perhaps have an obsessive interest in local government financial settlement systems owing to the fact that my father was a senior civil servant who dealt with these issues in the 1970s, and matters associated with the Layfield report.

It is fair to say that during the extended period of economic growth, moneys to local authorities were very generous. Indeed, the amount given to local authorities has often been greater than the corresponding overall rate of growth in the UK economy. Nevertheless, it is a bad habit of Government to continue to centralise and to restrict the room for manoeuvre for local authorities, despite the slight row back on the part of Government in recent times.

I very much feel that the removal of the business rate inflicted substantial damage on the borough of Croydon and greatly undermined the very good work that Lord Bowness did for Croydon council and the town during the 1980s and early 1990s.

Sir Paul Beresford: Speaking as someone from Croydon or for central London, I believe that the removal of the business rate has had a positive side, but it has had a negative effect on much of the rest of the country where there is little business. That is why, in my personal opinion, there must be equalisation across the country; otherwise many local authorities with no or next to no businesses will be savaged.

Mr. Pelling: The hon. Gentleman has demonstrated his long-standing experience of local government, along with a recognition of the inevitability of Government involvement. In my view, while authorities continue to have a degree of discretion, equalisation is inevitable. I think that that 1980s Croydon local authority adopted a rather municipalist approach, perhaps a little more independent than the more robust conservatism represented by the hon. Gentleman.

The former Mayor of London rightly recognised that many suburban areas in outer London faced considerable challenges, and I think that that applies particularly to Croydon. We suffer, or perhaps enjoy, dynamic population

[Mr. Pelling]

changes—what could be described as "population churn"—while also confronting the challenge posed by the Government's desire to remove a significant number of public sector jobs from the area.

The Government are right to emphasise the £20 million of extra grant that Croydon will receive this year. There is no good reason why the borough should not be able to match the Labour authorities that are aiming for a zero per cent. increase—or, as that is rather a Brownism, perhaps I should say a freeze—in council tax. Nevertheless, Croydon has fundamental underlying problems.

I will make only the briefest reference to a Regional Select Committee, as another Member was chastised from the Chair in this regard. However, I think it is a positive result of the establishment of Regional Select Committees that the London Committee is examining the important issue of the forthcoming census and its impact on local government financial settlements and other public sector flows.

According to evidence given to the Committee by the London borough of Croydon, its population is likely to be 37,000 greater than the 340,800 that is presumed by the Office for National Statistics and used in local government financial settlement processes. Moreover, 41,034 migrants have registered with GPs in the last seven years, and 25,290 national insurance numbers have been given to non-British workers by Jobcentre Plus over the last three years. Those fundamental problems are undermining the credibility of the moneys given to the borough.

The operation of the area cost adjustment and the distinction that is made between west and east London—Croydon being regarded as an east London authority—have led to a cumulative shortfall of £16 million. Obviously the operation of the ACA is valuable, but the way in which it is not applied to specific grants has a distorting and unhelpful impact on Croydon's allocations. The difference between the amount given to one authority and the amount given to another can be hard to explain. The London borough of Croydon considers itself to face challenges similar to those faced by the London borough of Enfield—in fact, I think it faces rather more severe challenges—but Enfield receives £423 per head, while Croydon receives £348. That is difficult for the authority to explain to local residents and taxpayers.

In addition, the authority could face significant pressures as a result of changes in the funding of the freedom pass in London. Given that support for London local government as a whole is to be reduced by £28.6 million, Croydon will lose £1.3 million. Croydon must also spend £1.9 million a year on supporting migrants—or asylum seekers—who, having exhausted the legal system, find themselves with no recourse to public funds. There has been considerable controversy about the decision to close the asylum walk-in centre in Liverpool and to concentrate activities in Croydon. I feel that the Home Office has turned a deaf ear to our concerns, and I have organised a petition on the issue which is securing a great deal of local support.

I plead for the Department for Communities and Local Government to adopt a more open-minded approach, and to agree that, perhaps over the coming year, it will try to measure the number of additional asylum seekers who are resident in Croydon, in order to see whether the local authority's demand for a better allocation is fair.

A couple of years ago, a former DCLG Minister, the current Minister for Borders and Immigration, the hon. Member for Oldham, East and Saddleworth (Mr. Woolas), got quite animated with me when I expressed concern about the amount of money that Croydon received, and reference was made to local enterprise growth initiative money. The point was made to me that £77 million of LEGI money came to Croydon, but in reality that money is not guaranteed, and there is a great deal of uncertainty as to whether it will continue to be given. That is an important concern.

I am also worried about the negative effect on a very weak local economy of the supplementary business rate in terms of all of that money being abstracted from Croydon businesses and being spent entirely on Crossrail. That will have an adverse effect on potential positive investments in the business improvement district in Croydon.

It is important that Croydon council aspires to achieve the same as some Labour councils in London have achieved: a council tax freeze this year. The incomes of many Croydon residents are either going down or are frozen, and they would find it entirely unaffordable to have yet another increase, especially bearing it in mind that the London Borough of Croydon has increased the council tax by the maximum amount allowed under the informal capping system. I am joined in this call for a council tax freeze by Labour councillors in Croydon, but they have no credibility as they previously increased the council tax by 27 per cent.

Let me turn now to a matter of great concern, on which I hope the Minister will be able to help. At a time when Croydon council is making real cuts—not merely efficiencies—in services, it has arranged for a loan of £145 million in order to build a new town hall. In addition, there is the prospect of £93 million of interest payments until 2036, making a total of £238 million. Considerable concern has been expressed to me by residents who have received a communication from the Labour party suggesting that the total cost will be £1,115 per household. That is a kind underestimate, as it does not take account of interest payments. The real cost for residents is £2,016 per household.

I well remember the very important speech given by Neil Kinnock at a Labour party conference about how it was obscene to see Derek Hatton's Liverpool council issuing redundancy notices by taxi. In some ways, I think it is similarly wrong for Croydon council to be setting about cutting services while at the same time putting aside the equivalent of £3.5 million a year to service such a large loan for such a project. Now is not the time to be building a new council headquarters for the benefit of councillors.

Mr. Slaughter: The hon. Gentleman has identified an interesting trend. The proudest boast of the leader of Hammersmith and Fulham council is that he has got rid of 1,000 jobs in the last three years—he has sacked 1,000 people in the middle of a recession—yet that same council is investing £35 million in a new extension to the town hall. These municipal monstrosities are examples of just the sort of grandiose projects of local government that we thought were things of the past, but they are not. This is not only happening in Croydon, therefore.

Mr. Pelling: I am extremely interested to hear that similar projects are being pursued elsewhere in London. It has always been a great weakness of local government and local councillors that they are obsessed with the grandiose, and with aggrandisement at home in the town hall, when it is services that are important. It is wrong that services are being cut back at the same time as such new projects are being taken on. This loan with the Public Works Loan Board is in place, but it has not yet been drawn down. Will the Minister have an opportunity to assess whether this really is appropriate behaviour? I know that our appropriate approach is to say that local authorities should be given discretion to make their own mistakes, but I think that this mistake will fall very heavily on Croydon council tax payers in future, particularly given that the local authority refuses to provide much detail on what the contract involves. It has been taken out in partnership with John Laing plc, which is no longer a public company—it is in the ownership of a private equity fund. Bearing in mind the difficult state in which private equity finds itself in terms of financing from the City, this is a dangerous circumstance for the local authority to have involved itself in.

Bob Spink (Castle Point) (Ind): The hon. Gentleman may be surprised to learn that the same problem occurred in Castle Point a few years ago under a Conservative Administration. It built what is known locally as "the bunker", spending millions of pounds in the process. That has proved to be a very expensive waste, it is much underused and local people are still paying for it.

Mr. Pelling: A worrying trend is being revealed in this debate. It is incumbent on local authorities to be concerned primarily about services, rather than about building new town halls. If Croydon council desires to move location, the best way of doing so would be for it to become a tenant of Stanhope, which has the real desire to start developing on the site next to East Croydon station. No doubt many Members have taken a flight from Gatwick and seen the desolate site next to that station, which gives a bad impression of the town. If the development of that site can begin, that would provide confidence to others to invest in the town. Such an approach from the local authority would have more vision and would have a multiplier effect on investor confidence in Croydon.

It is also important to stress that local authorities face great dangers in being obsessed with their own party political propaganda. In many ways, I can often see little difference between what is produced by the chief executive's office and by the campaign of the Conservative parliamentary candidate in Croydon, Central. A recent example of that could be seen during the launch of a petition calling for extra police for Croydon. It is extraordinary that the council should be campaigning for extra police given that it has discretion to provide funding for extra police and that it is of the same party as the Mayor of London, who could decide to provide more police to Croydon. Indeed, the local London Assembly member, Steve O'Connell, is also chairman of the finance sub-committee that could decide to provide extra money for police. It is nonsense, and it is an abuse, for Croydon council to be spending money on this matter, given that at the same time as the council launched the petition it was also launched through e-mails from the Conservative parliamentary candidate. It is an inappropriate use of public money to have such a close relationship between a parliamentary campaign and the spending of council money.

As many Members have said in Westminster Hall debates, there are also great dangers in councils trying to get into the media business. The number of newspapers being produced by councils is unacceptable and risks undermining things. I know that the hon. Member for Ealing, Acton and Shepherd's Bush (Mr. Slaughter), who takes a great interest in the performance of Hammersmith and Fulham council, has been very critical of the way in which his local authority does that. I believe that the *Your Croydon* newspaper wrongly continues to be run so closely with the Conservative parliamentary party campaign and to give great prominence to things during this election purdah period.

Finally, I wish to return to the issue of the role of business, because the pro-business borough was at the very heart of Croydon's success in the 1960s. I know that, in many ways, the approach taken then had many weaknesses: it was very municipalist and dirigiste, and it was perhaps a little old-fashioned compared with the more appropriately aggressive and laissez-faire approach taken in the London borough of Wandsworth. Nevertheless, co-ordination and co-operation between the council and businesses has an important role to play.

It is fundamental to note that moneys are taken away through the business rate and the supplementary business rate, but we have no prospect of any of that supplementary business rate being reinvested in Croydon's economy. We need to deal with the significant issue of trying to improve confidence and reduce the fear of crime in the centre of Croydon—a justifiable fear, bearing in mind the number of killings that we have had along the A23 corridor—and of trying to leave some money behind. May I call on the Government—I know that the London Mayor also has some discretion—to try to use their persuasive powers so that some of that money comes back?

I am very impressed by the campaign that is being run by Max Menon of Allders, the only remaining Allders store in the country. Calling for some discretion and for moneys to be returned to Croydon means that we can defend an exposed and fragile economy that, unfortunately, has not been helped by some real lack of vision from the local authority in Croydon.

7.10 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett): We have had a most interesting debate that has, at times, ranged far more widely than the 2010-11 local government settlement and over a far wider time frame. The settlement means that every one of the 421 councils in the nine English regions will receive an increase in their formula grant this year, as they have for the past two years.

The hour is late and I shall confine myself to thanking the right hon. and hon. Members who have made such valuable and interesting contributions to the debate. There have been contributions from the hon. Members for Falmouth and Camborne (Julia Goldsworthy), for Croydon, Central (Mr. Pelling), for Richmond Park (Susan Kramer), for Cities of London and Westminster (Mr. Field) and my hon. Friends the Members for Milton Keynes, South-West (Dr. Starkey) and for Wigan (Mr. Turner), as well as many other hon. Friends who

[Barbara Follett]

took part in a debate that was, on the Government side of the House at least, extraordinarily well attended. In deference to the injunction from the Chair, I shall not mention the concerns about the dubious mathematical basis of the assertions made by the Conservative Front-Bench spokesperson. However, I think that all Members present welcome the stability offered by this, the first ever three-year settlement. I reassure hon. Members that this Government have every intention of having another three-year settlement. I hope that it will be as fair and as good as this one.

Question put and agreed to.

Resolved,

That the Local Government Finance Report (England) 2010-11 (HC 280), which was laid before this House on 20 January, be approved.

COUNCIL TAX

Resolved,

That the draft Council Tax Limitation (Maximum Amounts) (England) Order 2010, which was laid before this House on 20 January, be approved.—*(Helen Jones.)*

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ELECTRONIC COMMUNICATIONS

That the draft Electronic Commerce Directive (Hatred against Persons on Religious Grounds or the Grounds of Sexual Orientation) Regulations 2010, which were laid before this House on 5 January, be approved.—*(Helen Jones.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS BETWEEN THE EU AND JAPAN

That this House takes note of European Union Document No. 17708/09, relating to a proposal for a Council Decision on the conclusion of the Agreement between the European Union and Japan on Mutual Legal Assistance in criminal matters (MLA); and supports the EU Council decision to conclude the Agreement in order to establish a formal international framework for MLA between the EU and Japan which will improve the measures available to combat international and transnational crime.—*(Helen Jones.)*

Question agreed to.

PETITIONS

Malaya (Rosette)

7.13 pm

Sandra Gidley (Romsey) (LD): The petition of the citizens of the UK attracts 12 signatures, supported by 4,098 of similar sentiment, 433 of which were collected by *The Southern Daily Echo*. The petitioners recognise the award of the naval general service medal and the general service medal with Malaya clasp to approximately 100,000 members of the three armed forces who saw active service in Malaya during the emergency from 16 June 1948 to 31 July 1960. On 31 August 1957, the Government of the UK granted Malaya its independence and after then, to resist incursion by the Indonesian army, Commonwealth troops fought under a defence treaty signed between the Government of Malaysia and the Government of the UK. Those involved in the confrontation were awarded a Borneo clasp by the UK Government and the Pingat Jasa Malaysia by the Government of Malaysia.

The petition states:

The Petitioners therefore request that the House of Commons urges the Government to bring forward legislation to award an additional rosette, to be attached to the NGSM/GSM medal ribbon, to all forces who qualify for active service in Malaya between 16th June 1948 and 31st August 1957, in order to distinguish between those who served before Malaya's date of independence and those after; a similar circumstance was recognised by the award of a rosette with the South Atlantic Falklands Medal Ribbon.

Following is the full text of the petition:

[The Petition of citizens of the United Kingdom,

Declares that they accept the recognition of the award of the NGSM/GSM with clasp Malaya to all members of the three Armed Forces of the Commonwealth, approximately 100,000 in number, a high proportion of them being National Servicemen, serving on active service in Malaya during the emergency from 16th June 1948 to its cessation on 31st of July 1960; on the 31st August 1957 the Government of the United Kingdom granted Malaya its independence.

Further declares that the Malaysian Government was formed in 1963 to include Singapore and the States of Sabah and Sarawak on the Island of Borneo; that the amalgamation of the States began a confrontation with the Indonesian Government Army; that to resist the incursion by the Indonesian Army, under the defence treaty signed between the Government of Malaysia and the Government of the United Kingdom, it was necessary to take up arms by the Commonwealth Forces resulting in an agreement being reached in August 1966; and that the Government of the United Kingdom awarded the NGSM/GSM with clasp Borneo and the Government of Malaysia awarded the Pingat Jasa Malaysia (PJM) to all Commonwealth Forces engaged during the confrontation, including all serving members still engaged on active service in Malaya post 31st July 1957, disregarding those forces actively engaged prior to that date.

The Petition further declares that those who fought and endured the struggle between 1948 and 1957 do not qualify for any further recognition for their part in the defeat of the Military Army of the Malayan Communist Party.

The Petitioners therefore request that the House of Commons urges the Government to bring forward legislation to award an additional rosette, to be attached to the NGSM/GSM medal ribbon, to all forces who qualify for active service in Malaya between 16th June 1948 and 31st August 1957, in order to distinguish between those who served before Malaya's date of independence and those after; a similar circumstance was recognised by the award of a rosette with the South Atlantic Falklands Medal Ribbon.

And the Petitioners remain, etc.]

[P000432]

Equitable Life (Ayr, Carrick and Cumnock)

7.15 pm

Sandra Osborne (Ayr, Carrick and Cumnock) (Lab): The petition relates to the Government's response to the parliamentary ombudsman's reports on Equitable Life.

The petition states:

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying in full with the findings and recommendations of her Report upon Equitable Life.

Following is the full text of the petition:

[The Petition of residents of Ayr, Carrick and Cumnock,

Declares that the Petitioners either are or they represent or support members, former members or personal representatives of deceased members of the Equitable Life Assurance Society who have suffered maladministration leading to injustice, as found by the Parliamentary Ombudsman in her report upon Equitable Life, ordered by the House of Commons to be printed on 16 July 2008 and bearing reference number HC 815; and further declares that the Petitioners or those whom they represent or support have suffered regulatory failure on the part of the public bodies responsible from the year 1992 onwards, but have not received compensation for the resulting losses and outrage.

The Petitioners therefore request that the House of Commons urges the Government to uphold the constitutional standing of the Parliamentary Ombudsman by complying with the findings and recommendations of her Report upon Equitable Life.

And the Petitioners remain, etc.]

[P000729]

Destitution Among Asylum Seekers

7.16 pm

Mr. Fabian Hamilton (Leeds, North-East) (Lab): I should like to present a petition from Mrs. Patricia Hooker and the Churches Together in Roundhay, in my constituency, which has been signed by 181 of my constituents.

The petition states:

The Petition of members of Churches Together in Roundhay,

Declares that we are deeply concerned about the high levels of destitution among asylum seekers, especially refused asylum seekers, and in particular that many people have been left in this dire situation for prolonged periods. Research in Leeds in 2009, indicates that since the Report in 2007, the situation has deteriorated. It demonstrates that destitution happens at all stages of the asylum process, administrative delays worsen destitution, destitution is serious and prolonged, the number of people being made newly destitute is increasing even with the 'New Asylum Model'—it is not just a 'legacy' problem and entitlement to apply for support does not mean entitlement to receive support. Destitute people may be single or families with children; they are being forced into street homelessness and they have worsening health and mental health problems.

The Petitioners therefore request the House of Commons to ensure its legislation is designed and implemented so as to end the destitution of asylum seekers at all stages of the asylum process so they can contribute to the United Kingdom and provide for themselves.

And the Petitioners remain, etc.

[P000723]

Yemen

Motion made, and Question proposed, That this House do now adjourn.—*(Helen Jones.)*

7.18 pm

Keith Vaz (Leicester, East) (Lab): First, I thank you, Mr. Deputy Speaker, for the opportunity to raise this issue in the House. Yemen used to be perceived as being in the backwaters of the middle east, but recent events have put it under the international spotlight.

Before I proceed, let me declare my interest in Yemen, which is registered in the Register of Members' Financial Interests. I am also the chairman of the all-party group on Yemen and have a personal interest to declare. I was born in Aden, Yemen, in 1956. My parents had gone there for economic reasons from Mumbai, India, and settled in the then British-occupied south Yemen. I spent the first nine years of my life there, before leaving with my family to escape the mounting conflict. I still feel strongly attached to that beautiful country and I have vivid memories of my early childhood there. I was educated at St. Joseph's convent school, and, as a young child, I used to sit and watch the ships as they prepared to go up the Suez canal.

The last few weeks have seen some very dramatic events concerning Yemen. International attention has been rapid, and these events continue to unfold on a daily basis.

I want to thank the Yemeni ambassador to London, His Excellency Mohamed Taha Mustafa, for the role that he and his predecessors have played in ensuring that, despite its size and previous isolation, Yemen is a country that commands the interest of this House and this Government.

I also want to thank the members of the all-party group—the hon. Members for The Wrekin (Mark Pritchard), for East Worthing and Shoreham (Tim Loughton), and for Rutland and Melton (Alan Duncan), and Lord Lea and Lord Kilclooney—for attending a meeting that I organised only a week ago with Dr. Abu Bakr al-Qirbi, the Foreign Minister of Yemen, prior to the very successful Yemen conference.

I welcomed the Yemen conference, which took place on 27 January. Our present Prime Minister is the first person in his position to have decided to focus, laser like, on the problems in Yemen and on the country's importance for regional and global security. I also want to thank the Foreign Office and my right hon. Friend the Foreign Secretary for ensuring, before the conference, that we built up relationships with the country. As a result, the conference was very much an end-product of dialogue and assistance that had been going on for some time.

As I speak in the House tonight, the Minister of State, Foreign and Commonwealth Office, my hon. Friend the Member for Bury, South (Mr. Lewis), is actually in Sana'a. He went there following the conference in order to continue with the relationship that I have described. It is for that reason that the response to this debate will be made by my hon. Friend the Under-Secretary of State for International Development. I think that the Foreign Office looked hard and far for a Minister to answer the debate, but they are spread all over Britain, if not the world. However, I am glad to see my hon.

[Keith Vaz]

Friend here, as he has had many discussions with me about Yemen, and has done a great deal of work in his Department in respect of international development in the country.

Only today, and despite his very busy schedule, I and members of the all-party group had a meeting with my right hon. Friend the Prime Minister. We discussed many important issues in connection with Yemen, and I am very grateful for the time that he made available to us.

On Monday, the Foreign Secretary spoke about the need for deeds, not words. He was right. What we need are practical steps to be taken now, and pledges of aid to Yemen must be delivered immediately. As the Minister knows, we are still waiting for the pledges made at the 2006 Lancaster house conference to be realised. A total of £3 billion was promised by those who came to London to pledge support for Yemen, but only 7 per cent. of that has been paid over so far.

Yemen is a country of legends, and its history is fascinating. It was rumoured to be the route taken by the three wise men. If that was not the case, it certainly heralded the start of the frankincense trail. The Queen of Sheba had her palace in Yemen.

As the House knows, Ali Abdullah Saleh was elected President of Yemen at reunification in 1990. I pay tribute to him for all that he has done for his country.

Yemen is situated at a key position on the Saudi Arabian peninsula. It is strategically placed above the horn of Africa, and lies across the most utilised international shipping route. Its security, and the maintenance of stability there, are of vital interest—not only to Yemen but to all countries, both in the region and internationally.

Political unrest has caused much trouble for the Yemeni Government since reunification in 1990. It led to the emergence of a separatist movement in the south and the rebellion of a minority sect of Muslims in the north that is now referred to as the Houthi rebellion. The Yemeni Government are addressing the unrest on both sides, while ensuring that unity remains.

What has concerned us is the recent strengthening of terrorist cells in Yemen. This has meant that the Yemeni Government must additionally face an even more dangerous threat on another front. Terrorists bring the internal risk of disfranchised Yemenis being enticed into terrorist activities to undermine the Government. Effectively, that would rapidly lead to Yemen becoming a failed state—fragmented, drawn into a humanitarian crisis, and encouraging conflict beyond its borders.

I know that some have described Yemen as a failed state, and I keep reminding Ministers that it is not a failed state. It has the capacity to become a failed state if we fail to support it. As the Minister will know, its commitment to democracy is much better than that of many other countries in the region. However, it is important that in pushing the case for reform, we do so with the Government of Yemen, who are committed to reform. They are aware of the need to reform, and they are aware that unless there are reforms, there will be internal schisms. Tackling corruption and improving co-operation with the Opposition was the first item on the agenda, to be achieved through a commitment to daily dialogue with the Opposition and by the establishment of a national anti-corruption authority.

As well as political reforms, development and counter-radicalisation in Yemen should be our Government's main focus. Yemen has dwindling oil reserves. It has never had oil reserves like those of Saudi Arabia, for example, and the reserves that it had are dwindling. It has little water and has been deprived of international aid for decades, even after it was severely affected by the repercussions of the first Gulf war.

America recently pledged £62 million to Yemen, which is up from zero, its previous support. Focusing aid on developing educational institutions, infrastructure, employment and export diversification is vital. Counter-radicalisation is intrinsically connected to development and securing long-term jobs. Some 35 per cent. of Yemenis live below the poverty line, 65 per cent. are under 25, and 18 per cent. under 18. Therefore a large, idle and desperate population is being increasingly wooed by al-Qaeda and become increasingly vulnerable to its activities.

Counter-radicalisation seizes terrorism at the root. The current growth of terrorist networks must be dealt with through immediate action by establishing an effective system of counter-terrorism. This should avoid imposing a military presence or giving such an impression to the Yemenis, especially in light of their previous hostility to American involvement in the region. Providing weapons, equipment and intelligence assistance is the most effective way in which Yemen can combat terrorists within its borders.

For example, Yemen needs help to develop an effective system of verification. Owing to a lack of helicopters, Yemeni security forces must rely on reports of nearby tribal leaders to confirm those dead or wounded after attacks on terrorist hideouts in the mountains. It is important that if al-Qaeda leaders are killed or prevented from engaging in action, that is independently verified.

Therefore the creation and development of an efficient system of intelligence and information exchange within the Yemeni security services is extremely important. The US has 550 suspects on the "most wanted" list, but little is known of their whereabouts and the role in al-Qaeda of each of these suspects. Although this is a difficult starting point, building a system of counter-terrorism for the Yemeni security services will help enormously. That is why it is vital that we have dialogue. Without dialogue, we have real problems.

We must also keep an eye on the areas beyond Yemen's borders which affect its internal instability through terrorist infiltration. The development of a lawless zone stretching from northern Kenya, Somalia, Eritrea and the Gulf of Aden to Saudi Arabia, is a real fear. We know that extremist groups are already involved in activities in the horn of Africa. We know of the piracy that occurs between Somalia and Yemen. It is extremely important that we provide effective resources for the Yemeni Government to deal with that.

Some of the security issues can be addressed immediately. Sadly, Yemenia Airways, the national airline of Yemen, has had its flights between London and Yemen cancelled since 20 January. I raised the matter with the Prime Minister today. I understand perfectly the concerns of the Department for Transport. It wants to make sure that when people board flights on Yemenia or from other countries, they are properly searched and scanned before they arrive in the United Kingdom. We heard on Tuesday that at Manchester airport and Heathrow,

body scanners are to be rolled out. When we go through those airports, Members of the House and everyone else will have to go through a full body scanner. If that is the case for this country, surely we can give Yemen one body scanner, so that it can be used at Sana'a airport. The Foreign Secretary talked about a comprehensive approach, but it is important that we look at practical help. We should not wait for reports to be considered by Cabinet Committees; we should act immediately to help those in Yemen who are our friends.

We also need to look at what is happening within our borders. The President and the Government of Yemen have complained on numerous occasions about the existence on British soil of radio stations that go out of their way to make anti-Yemeni and anti-Government statements calling for the overthrow of the democratically elected Government in Yemen. We must do as much as we can to ensure that our territory—our land—is not used for those purposes.

Another concern is the British hostages who are held in Yemen. Discussions are ongoing, and I thank the Minister of State, Foreign and Commonwealth Office, the hon. Member for Bury, South, who flew to Yemen yesterday, for inviting me and other members of the all-party group on Yemen to join him on that mission. That was a wonderful gesture in view of the group's work. Unfortunately, owing to other duties, I could not go with him, but he does not need me to accompany him, because he will do a very good job himself.

We want to ensure that there are practical steps, however, so here is my shopping list, which I have passed on to the Under-Secretary of State for International Development, so that he knows what I am shopping for in today's debate. There should be funding for development and the security services. Let us not wait any longer; let us deliver it now. We are doing our bit, but what about the other countries that pledged £3 billion four years ago? There should also be technical assistance, through the provision of weapons and training, so that we can engage the Yemeni forces and they can stop their country falling into the hands of those who wish to destroy it. There should be more effective intelligence. We have the best intelligence services in the world, so why do we not work with them to provide that help? We should continue to do what the Minister is doing so effectively: providing development aid. What he is doing will benefit people not so much in the short term, although there are immediate benefits, but in the long term. Let us try to get Yemen admitted to the Gulf Co-operation Council. Let us see whether it can be admitted to the Commonwealth, which it is entitled to join, because Aden was a British colony.

In addition, I put to the Prime Minister an idea, which I hope he will take up, to create a taskforce for Yemen, because he himself knows the importance of the matter. The taskforce should include some parliamentarians, British business men, officials from the Foreign and Commonwealth office and others—anybody who will try to help us keep Yemen stable. It would go hand in hand with the measures that Britain has already undertaken. I do not call for the appointment of an envoy, because that would take too long and what would they do? We have some wonderful Foreign Office Ministers who can do that job, but let us support them by creating a taskforce for Yemen. Let us not leave the situation as it is; let us do something positive.

The Government of Yemen are more than willing to co-operate to combat the ills that face their country, and to deal with counter-terrorism. Economic growth, elite compliance and state stability will be welcomed, too, so long as they arrive with a good level of non-interference in Yemen's socio-cultural issues and institutional reform. To quote Dr. al-Kurbi, one of the longest-serving Foreign Ministers in the Gulf, who qualified as a doctor in our country—at Edinburgh university—and therefore knows and has great respect of our country:

"Yemen has many problems, 'great challenges and more expectations".

We should assist in tackling those challenges, resolving those problems and ensuring that people's expectations are not in vain. Now that the media frenzy is over, now that the television camera crews have packed their bags and left the Yemen conference and now that the international spotlight has grown a little dimmer, I urge the Minister, despite the huge amount of issues facing Foreign Office and Department for International Development Ministers, to keep our focus on Yemen. We should help them to help themselves. That would be a truly great legacy for this Government as far as foreign policy is concerned—not dealing with this after the event but preventing Yemen from falling into the same kind of disrepair and disillusionment as Afghanistan or Iraq. Because of the respect that Yemenis have for our country, this whole goal—the future of this country—is also in our hands.

7.35 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): I congratulate my right hon. Friend the Member for Leicester, East (Keith Vaz) on securing this debate and on giving the House an opportunity to have this discussion, and I thank him for his kind words. I know that he has a genuine and long-standing interest in the future of Yemen and its people. That is an interest that the Government share, reaffirmed following my visit to the country last year.

As my right hon. Friend pointed out, Yemen is a country that is beset by challenges. Fresh water resources are rapidly running out, its population is set to double within the next 20 years, and unemployment already stands at 35 per cent. At the same time, governance is weak, and there is ongoing conflict and political tension. In short, we are talking about a country that has been poor, is poor, and without action will be poor for the foreseeable future. Its development and humanitarian needs are as significant as they are clear to everyone.

That is why the Department for International Development has long recognised Yemen to be a country desperately in need of international aid and support. We have stepped up our commitment considerably over the past five years; indeed, in 2007 we signed a 10-year development partnership agreement with the country, which was a signal of our intent. As the Foreign Secretary noted in his statement to the House on 5 January, a renewed UK country strategy for Yemen was developed in September 2009. That set out our priorities and, crucially, made it clear that we are ready to offer our long-term support. The document and the rationale behind it met with agreement from right across this House.

[Mr. Michael Foster]

Since then, of course, Yemen has acquired a much higher profile internationally, with December's attempted bombing making headlines around the world. My right hon. Friend will be aware of the potential role of al-Qaeda and the related terrorist activity in Yemen, which are matters of grave concern to the UK Government. However, let me be clear. Our view, and that of many Foreign Ministers who gathered in London last week, is that such activity is a symptom, albeit a corrosive one, of wider problems within Yemen. To treat that symptom, we need to treat the cause, and that is poverty: poverty of resource, poverty of means, and poverty of opportunity.

That is why in recent weeks we have moved quickly to see what we could do to encourage the international community in its support for Yemen. The Foreign Ministers' meeting in London last week, convened by the Prime Minister and attended by Yemeni Prime Minister Mujawar, had three main objectives: first, to forge an international consensus about the nature of the challenges that face Yemen; secondly, to build an impetus behind the economic and governance reform agenda; and thirdly, to improve the way that we co-ordinate international aid that goes to Yemen.

In his statement to the House earlier this week, the Foreign Secretary outlined what had been agreed at that meeting. I can reiterate today that everybody present agreed that the main responsibility for tackling Yemen's problems lies with Yemen itself. However, the international community is ready to stand by Yemen and to offer its support, both in addressing the challenges presented by al-Qaeda, including through enforcing all relevant United Nations sanctions, and in helping the Government to tackle the political, social, governance and economic challenges that they face.

The agenda is both short term and long term. Short-term support will be provided through a new Friends of Yemen Group, which will act as a kind of critical friend, ready to challenge, question and advise the Yemeni Government. This will be particularly important as Yemen faces up to some tough decisions on how and where it should focus its energies. The first meeting of that group will take place in the Gulf in late March, and it will discuss how Yemen can best deliver much-needed economic and governance reforms and tackle the challenges and instability that it faces.

During the London meeting, the Yemeni Government and the International Monetary Fund reaffirmed their agreement to talks to establish an IMF programme for Yemen. That is extremely encouraging and should help Yemen identify ways to tackle some of the most immediate economic problems, including the burden placed on its budget by national fuel subsidies and the civil service wage bill. If that process is successful, it should encourage other donors to align their funding accordingly, potentially making funding streams more effective.

Keith Vaz: I thank my hon. Friend for what he has said so far, but I still cannot understand how, after the conference that we hosted at Lancaster house in November 2006—a wonderful decision by the Government, and we have always hosted such conferences—£3 billion was pledged but only 7 per cent. has been paid. What has happened to the other 93 per cent.? Who is not paying?

Mr. Foster: I hope to come to that point, and indeed I turn now to the very subject of aid. The secretary-general of the Gulf Co-operation Council has called a meeting of donors to discuss the barriers to disbursing aid in Yemen. Securing progress by the Government of Yemen on key economic and government reforms is critical to that, as is the capacity of the Government to absorb funds. The GCC meeting is specifically intended to identify barriers to the disbursement of Gulf donor funds.

As my right hon. Friend acknowledged, disbursement has been limited ever since the 2006 London consultative group meeting, at which some $5 billion of support was pledged. That money, together with funding from other donors, will help Yemen diversify its economy. That is particularly crucial given that its oil reserves, which represent some 90 per cent. of the country's export revenue, are expected to run out within the next 10 years.

In the short term, the Yemeni Government need support in delivering basic services and providing jobs for their people, and we can help on that. However, they themselves need to take the critical decisions that will reverse Yemen's trajectory by delivering services, stabilising the economy, tackling terrorist activity and resolving conflict. They need the political will to do that. I know that the challenge is immense, but it must be co-ordinated if we are to stand a chance of success.

Long-term support for Yemen is also needed to help it develop new markets, invest in its future and create job opportunities. However, economic growth will also depend in part on Yemen's ability to resolve conflict and strengthen its governance, including by tackling corruption. Conflict can disrupt internal trade and discourage investment. Indeed, the evidence that we have suggests that it can reduce a country's growth by more than 2 per cent.

We do not want Yemen to fail. Its problems are complex and will be addressed only through concerted and sustained effort on the part of the international community and, most importantly, on the part of Yemen itself.

Keith Vaz: Obviously my hon. Friend was not at the meeting with the Prime Minister, because I know he has his own engagements. Will he consider the idea of a taskforce on Yemen, which would deal not only with Government-to-Government contact but with people-to-people contact? There are many Yemenis in this country. As he knows, I am not a Yemeni—I am of Indian origin, although I was born in Yemen. However, there are many Yemenis in places such as Cardiff, the Foreign Secretary's constituency of South Shields and elsewhere. It will be helpful if we can provide something more than just Government-to-Government contact, especially as far as trade and industry are concerned.

Mr. Foster: I accept totally what my right hon. Friend says about the contacts in the UK and our good will towards Yemen. I will consider his suggestion and also offer him opportunities to raise it with others in the very near future.

Yemen has many friends beyond the UK, including the United States, the European Union and the GCC. Together with those partners, we stand ready to help

Yemen and its people. Activity in recent weeks is testament to that. We need now to maintain that momentum so that reform can be achieved, aid unlocked and a future secured.

I repeat my thanks to my right hon. Friend for raising this important topic. We have plans in place to provide Members with a more detailed briefing on our work in Yemen, and I will ensure that he is notified of the time and date of that meeting.

Question put and agreed to.

7.44 pm

House adjourned.

Deferred Divisions

EU Enlargement strategy

That this House takes note of European Union Document No. 14513/09, Commission Communication on Enlargement Strategy and Main Challenges 2009-10; and supports the Government's policy that Turkey, Croatia, Iceland and all the countries of the Western Balkans should be able to join the EU when they meet the criteria.

The House divided: Ayes 403, Noes 20.

Division No. 69]

AYES

Abbott, Ms Diane
Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Arbuthnot, rh Mr. James
Armstrong, rh Hilary
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, Mr. Ian
Austin, John
Bacon, Mr. Richard
Bailey, Mr. Adrian
Bain, Mr. William
Baker, Norman
Baldry, Tony
Balls, rh Ed
Banks, Gordon
Barker, Gregory
Barlow, Ms Celia
Baron, Mr. John
Barrett, John
Barron, rh Mr. Kevin
Begg, Miss Anne
Beith, rh Sir Alan
Bell, Sir Stuart
Bellingham, Mr. Henry
Benn, rh Hilary
Benyon, Mr. Richard
Beresford, Sir Paul
Berry, Roger
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Browning, Angela
Bryant, Chris
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Butler, Ms Dawn
Byers, rh Mr. Stephen
Cable, Dr. Vincent
Cameron, rh Mr. David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cormack, Sir Patrick
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dorries, Nadine
Dowd, Jim
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Efford, Clive
Engel, Natascha
Ennis, Jeff
Evennett, Mr. David
Fabricant, Michael
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Fox, Dr. Liam
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gapes, Mike
Garnier, Mr. Edward
Gauke, Mr. David
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gidley, Sandra
Gilroy, Linda
Goggins, rh Paul
Goldsworthy, Julia
Goodman, Helen
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Griffith, Nia
Grogan, Mr. John
Hague, rh Mr. William
Hain, rh Mr. Peter
Hall, Patrick
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Hanson, rh Mr. David
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Heald, Mr. Oliver
Healey, rh John
Heath, Mr. David
Hemming, John
Hendry, Charles
Hepburn, Mr. Stephen
Hermon, Lady
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holloway, Mr. Adam
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howarth, Mr. Gerald
Howell, John
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Key, Robert
Kidney, Mr. David
Kirkbride, Miss Julie
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Lewin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Mactaggart, Fiona
Main, Anne
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Mason, John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian

Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moffatt, Laura
Moon, Mrs. Madeleine
Moore, Mr. Michael
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Moss, Mr. Malcolm
Mudie, Mr. George
Mulholland, Greg
Mundell, David
Munn, Meg
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
O'Hara, Mr. Edward
Oliver, Mr. Bill
Öpik, Lembit
Osborne, Mr. George
Osborne, Sandra
Ottaway, Richard
Owen, Albert
Peterson, Mr. Owen
Pearson, Ian
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Price, Adam
Prisk, Mr. Mark
Prosser, Gwyn
Pugh, Dr. John
Purchase, Mr. Ken
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Reid, Mr. Alan
Rennie, Willie
Riordan, Mrs. Linda
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rosindell, Andrew
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruffley, Mr. David
Russell, Bob
Salter, Martin
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Simpson, Mr. Keith
Slaughter, Mr. Andy
Smith, rh Angela E. *(Basildon)*
Smith, Chloe
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soames, Mr. Nicholas
Southworth, Helen
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Stanley, rh Sir John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stuart, Ms Gisela
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tami, Mark
Tapsell, Sir Peter
Taylor, Ms Dari
Taylor, Mr. Ian
Timms, rh Mr. Stephen
Timpson, Mr. Edward
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Waterson, Mr. Nigel
Watkinson, Angela
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wiggin, Bill
Willetts, Mr. David
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Stephen
Wills, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Wilson, Mr. Rob
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wright, Mr. Anthony
Wright, David
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Young, rh Sir George
Younger-Ross, Richard

NOES

Cash, Mr. William
Chope, Mr. Christopher
Davies, Mr. Dai
Davies, Philip
Donaldson, rh Mr. Jeffrey M.
Drew, Mr. David
Field, rh Mr. Frank
Hoey, Kate
Hollobone, Mr. Philip
Laws, Mr. David
McCrea, Dr. William
McDonnell, John
Pelling, Mr. Andrew
Simpson, David
Skinner, Mr. Dennis
Spink, Bob
Taylor, Dr. Richard
Walker, Mr. Charles
Winterton, Ann
Winterton, Sir Nicholas

Question accordingly agreed to.

INFRASTRUCTURE PLANNING

That the draft Infrastructure Planning (Decisions) Regulations 2010, which were laid before this House on 5 January, be approved.

The House divided: Ayes 231, Noes 196.

Division No. 70]

AYES

Abbott, Ms Diane
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Butler, Ms Dawn
Byers, rh Mr. Stephen
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Crausby, Mr. David
Creagh, Mary
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dowd, Jim
Elliott, Clive
Engel, Natascha
Ennis, Jeff
Field, rh Mr. Frank
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hepburn, Mr. Stephen
Hesford, Stephen

Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humbie, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Linton, Martin
Lloyd, Tony
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, Angus
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony
Wyatt, Derek

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Cameron, rh Mr. David
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Corbyn, Jeremy
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Philip
Djanogly, Mr. Jonathan
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Hendry, Charles
Hermon, Lady
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Laws, Mr. David
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lhwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Main, Anne
Malins, Mr. Humfrey
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric

Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Question accordingly agreed to.

FINANCIAL MANAGEMENT

That this House takes note of an unnumbered explanatory memorandum from HM Treasury dated 2 December 2009 on the European Court of Auditors' 2008 Annual Report, an unnumbered Explanatory Memorandum from the Department for International Development dated 3 December 2009 on the European Court of Auditors Annual Report on the activities funded by the seventh, eighth, ninth and tenth European Development Funds, concerning the financial year 2008, European Union Document No. 12139/09 and Addenda 1 and 2 on the Protection of the financial interests of the Communities, and unnumbered Explanatory Memorandum from HM Treasury dated 18 August 2009 on the European Anti-Fraud Office's ninth activity report for the period 1 January to 31 December 2008, European Union Document No. 12668/09 and Addendum 1, Commission Report on the Annual report to the discharge authority on internal audits carried out in 2008, European Union Document No. 14998/09 and Addendum 1, a Commission Report to the European Parliament on the follow-up to 2007 Discharge Decisions (Summary)—European Parliament Resolutions, European Union Document No. 16632/09, European Court of Auditors Special Report on delegating implementing tasks to executive agencies, European Union Document No. 17588/09, Commission Report to the Council on the follow-up to 2007 Discharge Decisions (Summary)—Council recommendations; and supports the Government's promotion of measures to improve the level of assurance given on the Community budget.

The House divided: Ayes 230, Noes 202.

Division No. 71]

AYES

Abbott, Ms Diane
Alexander, rh Mr. Douglas
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Begg, Miss Anne
Bell, Sir Stuart
Benn, rh Hilary
Berry, Roger
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Butler, Ms Dawn
Byers, rh Mr. Stephen
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cook, Frank
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cryer, Mrs. Ann
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Dowd, Jim
Efford, Clive
Engel, Natascha
Ennis, Jeff
Field, rh Mr. Frank
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gapes, Mike
Gerrard, Mr. Neil
Gilroy, Linda
Goggins, rh Paul
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hanson, rh Mr. David
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Hepburn, Mr. Stephen
Hesford, Stephen
Heyes, David
Hill, rh Keith
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hoey, Kate
Hoon, rh Mr. Geoffrey
Hope, Phil
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Ingram, rh Mr. Adam
Irranca-Davies, Huw
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Kidney, Mr. David
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Lepper, David
Linton, Martin
Lloyd, Tony
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McGovern, Mr. Jim
McGrady, Mr. Eddie
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Milburn, rh Mr. Alan
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffatt, Laura
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Morley, rh Mr. Elliot

Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Sandra
Owen, Albert
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prosser, Gwyn
Purchase, Mr. Ken
Raynsford, rh Mr. Nick
Reed, Mr. Jamie
Riordan, Mrs. Linda
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Salter, Martin
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Watts, Mr. Dave
Whitehead, Dr. Alan
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Dr. Tony
Wyatt, Derek

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Alexander, Danny
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Baker, Norman
Baldry, Tony
Barker, Gregory
Baron, Mr. John
Barrett, John
Beith, rh Sir Alan
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Brooke, Annette
Browne, Mr. Jeremy
Browning, Angela
Burrowes, Mr. David
Burstow, Mr. Paul
Burt, Alistair
Burt, Lorely
Cable, Dr. Vincent
Cameron, rh Mr. David
Carmichael, Mr. Alistair
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clegg, rh Mr. Nick
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Philip
Djanogly, Mr. Jonathan
Donaldson, rh Mr. Jeffrey M.
Dorries, Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gidley, Sandra
Goldsworthy, Julia
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Hancock, Mr. Mike
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Hemming, John
Hendry, Charles
Hollobone, Mr. Philip
Holloway, Mr. Adam
Holmes, Paul
Horam, Mr. John
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, Mr. Gerald
Howell, John
Hughes, Simon
Huhne, Chris
Hunter, Mark
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lamb, Norman
Laws, Mr. David
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Llwyd, Mr. Elfyn
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
MacNeil, Mr. Angus
Main, Anne
Malins, Mr. Humfrey
Mason, John
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McCrea, Dr. William
McDonnell, John
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Moore, Mr. Michael
Moss, Mr. Malcolm
Mulholland, Greg
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Osborne, Mr. George
Ottaway, Richard
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Price, Adam
Prisk, Mr. Mark
Pugh, Dr. John
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rennie, Willie
Robathan, Mr. Andrew
Robertson, Angus
Robertson, Hugh
Rogerson, Dan
Rosindell, Andrew
Ruffley, Mr. David
Russell, Bob
Sanders, Mr. Adrian
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Stanley, rh Sir John
Streeter, Mr. Gary
Stuart, Mr. Graham
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Taylor, Dr. Richard
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Walker, Mr. Charles
Waterson, Mr. Nigel
Watkinson, Angela
Webb, Steve
Weir, Mr. Mike
Wiggin, Bill
Willetts, Mr. David
Williams, Hywel
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Wishart, Pete
Wright, Jeremy
Young, rh Sir George
Younger-Ross, Richard

Question accordingly agreed to.

House of Commons

Thursday 4 February 2010

The House met at half-past Ten o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Food Labelling

1. **Michael Fabricant** (Lichfield) (Con): When he last met representatives of the food retail industry to discuss country of origin food labelling; and if he will make a statement. [315361]

8. **Mr. Mark Harper** (Forest of Dean) (Con): When he last met representatives of the food retail industry to discuss country of origin food labelling; and if he will make a statement. [315382]

12. **Mr. David Evennett** (Bexleyheath and Crayford) (Con): When he last met representatives of the food retail industry to discuss country of origin food labelling; and if he will make a statement. [315386]

13. **Mr. Philip Hollobone** (Kettering) (Con): When he last met representatives of the food retail industry to discuss country of origin food labelling; and if he will make a statement. [315387]

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): I met retailers, processors, producers and representatives of the food service industry on Monday, when I chaired the pigmeat supply chain taskforce, which agreed a voluntary code of practice on labelling for pork and pork products. That code will ensure that consumers have clear and unambiguous origin information when buying pork products.

Michael Fabricant: That is good news, partly. Has the Minister also met the Consumers Association? He will know that it recently conducted a survey showing that 80 per cent. of people want to know the origin of meat and poultry and 77 per cent. that of fruit. It is incredible and surprising to me that that is not mandatory on labelling. Will he push for that in the European Council?

Jim Fitzpatrick: I am sorry that I have not met the Consumers Association, but I am aware of its survey and the one conducted by the Food Standards Agency, which came out with somewhat different conclusions. Country of origin is an important aspect for consumers, as are price and food safety. All those matters should be addressed in labelling to ensure that the consumer can make an informed choice.

Mr. Harper: I am pleased to hear about the progress that has been made so far. We in Gloucestershire have excellent food and drink producers, and it is important for consumers to know where their food comes from. Is the FSA, whose survey the Minister referred to, absolutely at one with him on the importance of food labelling, and will the Government take forward that view in the negotiations with European partners?

Jim Fitzpatrick: We are in negotiations in Europe about the food information regulations, as I am sure the hon. Gentleman is aware. Those discussions have been taking place for some months and will continue this year, with a view to producing regulations next year for implementation, I believe, in 2013. The Government are very much involved in trying to ensure that we have accurate country of origin labelling on products that the British consumer is interested in buying.

Mr. Evennett: I am pleased with the Minister's response to my hon. Friend the Member for Lichfield (Michael Fabricant). However, several Government Departments and agencies have registered a fall in the proportion of British food that they buy. The latest figures that I can find are for 2007-08, when the Department for Children, Schools and Families, for instance, imported an awful lot of lamb and bacon and did not purchase many British apples. Can the Minister say why the latest figures have been delayed? Is he trying to bury bad news?

Jim Fitzpatrick: Maybe it is only me, but sometimes answering these questions makes me feel that I am playing Jim Hacker in the episode of "Yes Minister" in which he defends the British sausage. He was, of course, attempting to save his own bacon at the time.

I assure the hon. Gentleman that the latest figures will be published shortly. Last year's figures showed a 2 per cent. increase in public sector procurement of British food products, and I hope that we will see the same this year.

Mr. Hollobone: Britain's best breakfast cereal, Weetabix, is made in the Kettering constituency, and the wheat for it comes from farms within a 50-mile radius. Why cannot Weetabix proclaim on every box that British breakfast cereals for British breakfasts are the best in the world?

Jim Fitzpatrick: I must confess that I was not aware that Weetabix is produced in the hon. Gentleman's constituency. However, that does explain why he has three Weetabix for his breakfast every morning in the Members' Tea Room—I have seen the latest advert for Weetabix in which the jockey beats all the horses. I am sure that Weetabix will be listening to the hon. Gentleman. It is for producers to determine what they include in the way of labelling, but we are trying to encourage accurate country of origin labelling at the same time.

Jane Kennedy (Liverpool, Wavertree) (Lab): Will my hon. Friend give my greetings to the taskforce, and will he come shopping with me when I visit my local Sainsbury's

Aldi, Tesco and Co-op? *[Interruption.]* If there were a Waitrose I would shop there, too. All those supermarkets now have on their shelves products across the whole range that have their origin on the label, in some cases including the county of origin. No discerning shopper these days can seriously claim that there is not a choice. The voluntary approach is the way to go, and it is working. Will he encourage the supermarkets even further down that route?

Jim Fitzpatrick: I am very grateful to my right hon. Friend for the date that she has offered me. I am sure that my wife will read *Hansard* with interest to confirm that it is a business appointment.

I commend my right hon. Friend because, as my predecessor, she started discussions on country of origin labelling with the retailers and officials in the Department as far back as January 2009. I congratulate her on that. Her activities pioneered the success that we have seen and that will come in future, and I will be happy to engage with her in terms of shopping.

Rob Marris (Wolverhampton, South-West) (Lab): One difficulty shoppers have is avoiding illegally produced goods from Israeli colonies, often called settlements, in the west bank. What are the Government doing to ensure that that illegally produced and exported food either does not enter the United Kingdom or, if it does, is properly labelled so that consumers like me can avoid it?

Jim Fitzpatrick: If my hon. Friend has not seen it—he may well have seen it—I can tell him that on 10 December the Department for Environment, Food and Rural Affairs issued advice to retailers and importers who wished to respond to consumer demand for information about the origin of food produced in the occupied Palestinian territories. That means that consumers who buy food products that originate there will be able to distinguish between the produce of Palestinian farmers and that from the Israeli settlements. One of the largest retailers is already putting our advice into practice, and we hope that the rest will follow soon.

International Whaling Commission

2. **Mr. Peter Ainsworth** (East Surrey) (Con): What recent assessment he has made of the effectiveness of the International Whaling Commission; and if he will make a statement. [315362]

14. **Mr. Roger Williams** (Brecon and Radnorshire) (LD): What recent discussions he has had on improving the effectiveness of the International Whaling Commission. [315388]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): Given the number of whales still killed, the International Whaling Commission is, in the UK's view, failing in its objective to safeguard whale stocks. The IWC will next meet in Florida in March to discuss progress on a number of issues. The UK will attend that meeting but will not agree to any proposals that would be detrimental to either the welfare or the conservation of whales.

Mr. Ainsworth: Will the Minister state categorically that the UK Government's intention in the talks is not to legitimise existing activities in the southern ocean protection area, but to end whaling altogether, whatever the ambitions of the Japanese Government?

Huw Irranca-Davies: Indeed. The Government have long taken the position that tourist-based whale watching is the only sustainable form of whale exploitation. To give a brief update, we are currently involved in a series of discussions, and we will not negotiate on anything that will weaken our resolve to end commercial whaling. No such package or deal is currently on the table in the reform discussions and, frankly, it is difficult to envisage one in the foreseeable future, particularly while it is unclear whether Japan is willing to restrict scientific whaling operations.

Mr. Williams: I understand that a proposal may be made in the forthcoming intersessional meeting of the International Whaling Commission in March to introduce a new form of legitimate whaling—so-called coastal whaling. Will my hon. Friend commit the UK Government to opposing any such new forms of commercial whaling?

Huw Irranca-Davies: We have consistently made our position clear, and we have done so again today, but we do not yet have any proposals in front of us. Of course, the IWC needs reform, because it is clearly failing. The small working group is an aspect of the work that has gone on in the past year. We are not represented directly on that, but our views are put through Australia, New Zealand, Germany and other like-minded countries. We will receive details of a proposed way forward in the meeting in March.

Mr. Lindsay Hoyle (Chorley) (Lab): This is a despicable trade by Japan, which continues to hunt whales in the name of science while the stocks of dead meat continue to grow as the appetite for whale meat declines in Japan. What on earth are they playing at? My hon. Friend must also know that bluefin tuna is in greater danger. What does he feel about that?

Huw Irranca-Davies: My hon. Friend makes an important point. We made it clear that we would support Monaco's proposal to include bluefin tuna in appendix 1 of the convention on international trade in endangered species and end the trade. We have not been able to get a European Union bloc to support that yet, but we are close. I am pleased that France has indicated in the past few days that it is moving its position towards a moratorium. We will work with European partners—and lobby the United States—to try, in the one opportunity that we have every three years, to end the trade in bluefin tuna, because it is unsustainable.

Bovine Tuberculosis

3. **Mr. David Heathcoat-Amory** (Wells) (Con): How much his Department has spent on measures to control bovine tuberculosis in each of the last three years. [315363]

5. **Mr. Hugo Swire** (East Devon) (Con): How much his Department has spent on measures to control bovine tuberculosis in each of the last three years. [315365]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): The total amount the Department has spent on measures to control bovine tuberculosis in each of the last three years is £69.6 million in 2006-07, £65.3 million in 2007-08 and £84.2 million in 2008-09.

Mr. Heathcoat-Amory: Does it make sense to cull infected cattle but to leave the infection in the wildlife in the relevant areas, so that reinfection happens? Is that not bad for wildlife, bad for farmers and bad for the taxpayer?

Hilary Benn: The right hon. Gentleman will know about the badger culling trials that were carried out—originally the Krebs trials—and the report of the independent scientific group. As I recall, 11,000 badgers were culled and hon. Members are well aware of the ISG's conclusion. I agree with the right hon. Gentleman that we have to find the most effective means of dealing with the terrible disease, which is having a huge impact, including on farmers in his constituency. This summer, we can look forward, subject to the Veterinary Medicines Directorate's granting the final licensing, to the start of the six badger vaccination deployment projects. Many farmers will participate in those, and that offers a way forward. I am grateful for the support for that.

Mr. Swire: With the number of cattle being slaughtered at an alarming rate annually, not least in Devon, what lessons does the Secretary of State take from New Zealand, which has seen a reduction of something like 85 per cent. of TB in cattle resulting from the culling of wildlife hosts, and which is well on the way to becoming officially TB free?

Hilary Benn: We take a very close interest in what is happening in all countries that have been dealing with that problem, but each has its own circumstances. As I indicated in my answer to the right hon. Member for Wells (Mr. Heathcoat-Amory) a moment ago, we tried badger culling, but the ISG's recommendation was that it could not meaningfully contribute to the control of the disease.

We keep a very close eye on what is happening in other parts of the world, including the decision that the Welsh Assembly Government made. As the hon. Gentleman will be aware, we are putting a lot of money into vaccination. I hope that that will begin to offer a means of dealing with the problem in wildlife, which I am determined to tackle. As he will know, the debate has always been about the most effective way in which to deal with TB in badgers.

Charlotte Atkins (Staffordshire, Moorlands) (Lab): Staffordshire, Moorlands is a hot spot for bovine TB. This week, a local farmer, Mrs. Heath, told me that 93 of her 300 cows have been slaughtered. Will the Secretary of State visit Staffordshire, Moorlands to meet my local farmers to discuss the progress that is being made towards the vaccine for both badgers and cattle, how we can stop the devastating spread of that disease, and how we can look again at compensation levels, so that farmers are compensated for the full cost of their loss?

Mr. Speaker: Order. I am grateful to the hon. Lady, but there were really three questions there, to which we will have one reply.

Hilary Benn: I will do my best to find an opportunity to have those meetings. If my hon. Friend were able to bring her farmers to the House, we might be able to find an earlier date, but I am always happy to meet colleagues. I am sorry to hear about the problems that her constituent is experiencing. One of the badger vaccine deployment projects is going to be in Staffordshire. On compensation, we have changed the arrangements. The fact that expenditure on compensation has gone up in the past year reflects the higher values of cattle.

Tim Farron (Westmorland and Lonsdale) (LD): The Government have failed to take the tough action needed to tackle bovine TB. Instead, they have announced the setting up of a new animal health body, so that elected Ministers can pass the buck for such tough decisions to an unelected quango. Is it right that farmers have to pay £22 million a year to fund a new quango to clean up diseases that are not their fault?

Hilary Benn: First, I do not accept for a moment that the Government have failed in what they are seeking to do. Secondly, as I have told the House on many occasions, sharing the responsibility and the cost is reasonable. That is what we did in tackling bluetongue, which was a model in my experience. There was no complaint that the farmers had to share the cost, because we had shared the decision making on tackling the disease. The farming industry has long wanted the opportunity to share responsibility for how we tackle disease. Is it unreasonable, in the circumstances, that there should be some sharing of the costs? I do not think that it is.

Mr. James Paice (South-East Cambridgeshire) (Con): Does the Secretary of State really consider it to be a success that over the past 12 years, 150,000 head of cattle in the south-west alone have been slaughtered, and that the number continues to rise? Does he really believe that his current policies have any prospect whatever of controlling the disease, let alone of reducing or eradicating it? As he well knows, until we have an oral vaccine in four years' time, any work with vaccine is bound to be on a trial basis only—no one envisages that an injectable vaccine, which is involved in the trials that he was talking about, has any real significant prospect of deployment, because for that to happen one must catch all the badgers. When is he going to get a grip of this matter? He quotes the ISG regularly, but its conclusions were never peer reviewed, even if the evidence it gathered was. Will he accept that he is drawing sustenance from conclusions that were not peer reviewed?

Hilary Benn: We set up the ISG, which did its work and came to its conclusions. It has responsibility for what it recommended, and I accepted its advice—I know that that was not popular and that not everybody agreed. The issue is not whether we need to tackle the reservoir in wildlife, but what the most effective way of doing that is. With the badger vaccine deployment project, once the vaccine is licensed—I take the hon. Gentleman's point about practicality, and the purpose of the deployment project is to see how it works—there will be nothing to stop others using the vaccine, in

addition to the six projects that we will be running. Understandably, farmers are saying, "You say that culling does not work, but what other means do you have to help us?" We at least now have the beginning of hope, but I agree that an oral vaccine would be much more effective, and we are working very hard, and providing extra funding, to bring that about as soon as possible.

Landfill

4. **Norman Baker** (Lewes) (LD): If he will take steps to discourage East Sussex County Council from creating landraise mountains in the countryside. [315364]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dan Norris): The Government's priority is to reduce the amount of waste we produce. Landfilling, of which landraising is a form, should always be the last resort. The Government are reducing our reliance on landfill through the landfill tax, increasing recycling and converting waste into energy. We will shortly be consulting on further restrictions on the landfilling of certain biodegradable and recyclable wastes.

Norman Baker: I welcome that statement, but in this day and age is it not unbelievable—and appalling—that my Conservative county council wants to build 60-acre wide and 80-foot high waste mountains in the lovely Sussex countryside? Will he draw the council's attention to the Government's waste hierarchy and suggest that it moves from the 15th century to the 21st?

Dan Norris: If I did not know better, I would think that a general election is imminent. I hope that the hon. Gentleman will take part in our consultation to ensure that we produce as little waste as possible that needs to go into landfill. The truth is that we need to reduce, recycle and reuse at every possible opportunity, and allowing waste to go into landfill is not a good thing. My right hon. Friend the Secretary of State and I both went to Sussex university, so we are very familiar with the beauty of the area, and we recognise people's anger, but it is a local planning issue, plus a safety issue for the Environment Agency.

Nick Herbert (Arundel and South Downs) (Con): Under the Government's proposals, one in every four tonnes of household waste will still be landfilled in 10 years' time. That is the most environmentally damaging form of waste disposal. Britain lags behind greener countries such as Germany, and the National Audit Office has criticised the Government for dragging their feet on recycling infrastructure. Is it not time to show leadership, commit to zero waste and end the landfilling of rotting rubbish altogether?

Dan Norris: I cannot disagree with the hon. Gentleman, and I hope that he will take part in our consultation. It is an important consultation that seeks to achieve the objectives that he has just outlined, so I hope that he will play a full part in it.

Endangered Species

6. **Mr. John Randall** (Uxbridge) (Con): What steps the Government plan to take to enhance protection for endangered species through the Convention on International Trade in Endangered Species. [315366]

The Parliamentary Under-Secretary of State fo Environment, Food and Rural Affairs (Huw Irranca-Davies Species protected by CITES are included in one of thre appendices to the convention. Changes to the appendice are agreed at conferences of parties to the conventio held every two to three years. We are currently discussin the proposals put forward for COP 15 with other E member states to agree an EU position prior to th conference in March.

Mr. Randall: I thank the Minister for his reply. Doe he share my concern at the increase in the poaching o elephants for ivory? What will the Government do o the international scene to try to ensure that that i reversed?

Huw Irranca-Davies: I confirm that we will not suppor any COP 15 proposals if we have any doubt that CITE criteria cannot be met. In respect of elephants, at CITE COP 15 the UK will vote against any proposals—includin those from Tanzania and Zambia—for further ivor stockpile sales. We will not agree to any further sale until and unless the results of the monitoring in whic we are involved reveal positive effects from last year' one-off sale. We are waiting for the findings of a expert panel before reaching any decisions on proposal to downlist those countries' elephant populations o CITES.

Nick Herbert (Arundel and South Downs) (Con): A the last CITES conference, the Government failed t oppose ivory stockpile sales, failed to oppose China' inclusion as a buyer and failed to support bans on sale in the future. Poaching has risen sharply, elephant number in many countries are in decline, and there are link with terrorism. Yesterday's illegal trade was blood diamonds today's is blood ivory. Why are the Government no supporting African nations that are calling for a bindin 20-year moratorium on ivory sales?

Huw Irranca-Davies: That is an interesting point because the issue at COP 12 was whether to allow a one-off sale, which would be followed by a restin period of nine years, during which no further proposal for ivory trade or export quotas would be submitted That would give time for the impact of the one-off sal to be closely monitored and assessed. That work i ongoing. The sale took place in late 2008, and the ivor arrived in Japan and China in early 2009. It is important that we monitor the effects of that before we reach an other decision, which refers me back to my response t the hon. Member for Uxbridge (Mr. Randall).

Nick Herbert: The Minister is not sending a clea signal. We should be choking the ivory market, no stoking it. Where is the morality behind selling stockpile of an illegally traded good just because it raises money Robert Mugabe just spent the receipts on 4x4 vehicles. Would we take the same attitude to selling seized weapon or drugs for profit? Is it not time that the British Government showed some leadership and demanded that ivory stockpiles be destroyed once and for all?

Huw Irranca-Davies: Let me refer to the counter proposals submitted by a number—not all, because it is not supported universally—of central and west African countries to extend the resting period from the existing

nine years to 20 years, during which no ivory trading could take place. I want to make it clear that the UK supports—including financially—the monitoring the illegal killing of elephants programme and the elephant trade information system. The right way to do that is to monitor the effect of that one-off sale and to see what happens, but in the meantime not to allow any further trade. The hon. Gentleman is proposing a pre-emptive strike by ruling out anything regardless of the monitoring.

Common Fisheries Policy

7. **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): What his Department's objectives are for reform of the common fisheries policy; and if he will make a statement. [315367]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): The UK's response to the Commission's Green Paper on the reform of the common fisheries policy sets out our objectives to achieve the prosperous and sustainable exploitation of fish stocks. The response makes it clear that there must be more regionalised decision making, genuine integration of fisheries with other marine policies, longer-term management planning, greater flexibility and certainty in the system and a mechanism to ease the transition to a sustainable and profitable future.

Mr. Goodwill: Does the Minister agree that the two key elements are the devolution of day-to-day management to local and regional stakeholders and a land-all policy linked to a secondary market for fish that cannot otherwise be marketed to form a feed stock for the aquaculture industry?

Huw Irranca-Davies: We are very supportive of that. In fact, we have been playing a leadership role in promoting the idea of a regionalisation of management, which would still involve ministerial accountability and the overarching strategy. The hon. Gentleman is right about the idea of a land-all policy. We need to consider innovative approaches, such as the agreement that we signed last year to look at electronic monitoring on vessels, with the agreement of skippers, to land more and kill less. That relates especially to the abhorrent issue of discards, which skippers, as much as anyone else, abhor.

John Robertson (Glasgow, North-West) (Lab): My hon. Friend will be aware that fishing is very important in Scotland, and I am sure that he has heard from fisheries people there on many occasions. However, does he appreciate that they have to have a say in what is happening? It is important in Scotland in particular, which has such a large fishing community, that they have a say in the strategy.

Huw Irranca-Davies: I agree entirely with my hon. Friend, and we have had a great deal of engagement already in bringing forward our proposals, which I note have a wide sign-up from Scottish fisheries and their leadership and more widely in the UK. However, we will continue that engagement, including through another marine and fisheries stakeholder forum to be held in May and a North sea regional conference on CFP reform in March, where I hope to speak. We will continue the engagement with all parts of the UK.

Mr. Richard Benyon (Newbury) (Con): There is a widespread view around coastal communities that if people disagree with the Minister's Department, they get cut out of negotiations on important issues. I was contacted just today by the Thanet Fishermen's Association, which has been waiting since the beginning of last November for a reply on the transfer of unused quotas. Will the Minister give the fishing community and other organisations interested in CFP reform the firm assurance that they will be involved in negotiations on this important matter, even if they disagree with his Department's stance?

Huw Irranca-Davies: Yes, absolutely, but that is not to say that we will always agree. In fact, fishermen often accuse me of over-consulting and over-engagement, which can make it difficult for them to get to meetings and to engage with these matters. I guarantee that we will do as the hon. Gentleman asks, but that does not mean that we should walk away from the difficult decisions on moving from where we are now to achieving a long-term sustainable future. I know that, in his heart of hearts, he agrees with that.

Recycling (Local Authorities)

10. **Mr. Adrian Sanders** (Torbay) (LD): What steps his Department is taking to encourage local authorities to recycle a greater range of materials. [315384]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dan Norris): The DEFRA-funded Waste and Resources Action Programme—known as WRAP—worked with 260 local authorities on recycling, food waste collection and waste prevention projects in the past year and is awarding £3.3 million in funding to authorities to expand food waste collection. Local authority efforts have collectively boosted national recycling rates to over 37 per cent., and we are now working via WRAP to enhance collection, sorting, reprocessing and end markets for mixed plastics recycling.

Mr. Sanders: What specific support can the Government give to my own local authority, which has a recycling rate of just 27 per cent., to enable it to bring that rate up to the level of 57 per cent. that is being achieved by the next-door authority, Teignbridge?

Dan Norris: This really is a matter for local authorities. The recycling rate in the hon. Gentleman's unitary authority, Torbay, is actually higher than he suggested, but it is still about 10 per cent. behind the average for local authorities in the west country. He certainly needs to talk to the local authority and ensure that it is getting the message that it needs to get on with this. It recycles five different forms of waste, which is to be encouraged—we suggest a minimum of two, but we want local authorities to go up to five—but it is clearly not doing as well as the best, and I suggest that he takes that up with the authority, as this is a local matter.

Natascha Engel (North-East Derbyshire) (Lab): What discussions has my hon. Friend had with the National Farmers Union on linking on-farm anaerobic digestion and composting much more closely to local government waste and recycling strategies?

Dan Norris: I have not had a meeting with the NFU directly—such discussions would happen through the Minister of State, Department for Environment, Food and Rural Affairs, my hon. Friend the Member for Poplar and Canning Town (Jim Fitzpatrick)—but I am aware of those concerns. Anaerobic digestion is an important issue. We want to minimise the amount of waste that is created in the first place, as well as encouraging reuse and recycling. We also want to create energy from waste, so that it can make a productive difference rather than just going into landfill.

Peter Luff (Mid-Worcestershire) (Con): Does the Minister agree that massive incinerators, such as the one that has been proposed for Hartlebury in my constituency, should play a part in waste disposal only when the maximum possible effort has been made to recycle waste locally first, and that other technologies should be explored before turning to large-scale incineration?

Dan Norris: I met the hon. Gentleman earlier this week to discuss his concerns about the proposals for an incinerator in his constituency. He knows that I see that as the last option, with the possible exception of landfill. Local authorities certainly need to explore every other option before they turn to that one.

Mr. Eric Illsley (Barnsley, Central) (Lab): Is it not the case, however, that vast quantities of material collected for recycling cannot be recycled by industry, because the quality is not good enough? We are landfilling glass, which is completely recyclable, and exporting paper to China in order to meet our recycling targets, because there is not sufficient recycling capacity in this country. Will my hon. Friend meet representatives of the packaging industries to discuss these issues before our recycling targets are increased further?

Dan Norris: I am always happy to meet those who are worried about this issue. They are right to have concerns, and we will certainly continue to consult thoroughly on this. However, figures released only this morning show that recycling has gone up to 38.3 per cent., so we are well on the way to meeting our 40 per cent. target for this year. That is encouraging, but creating better quality waste makes it more valuable, and that should be an incentive for local authorities and others to work harder.

Private Drains and Sewers

11. **Andrew Rosindell** (Romford) (Con): What recent representations he has received on the planned transfer of responsibility for private drains and sewers to water companies in 2011. [315385]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): I regularly receive representations from a range of interested parties, including water companies, drainage contractors and private sewer owners, about the proposed transfer of private sewers to the water companies in England and Wales in 2011.

Andrew Rosindell: Of course, 2011 is not that far away; there is only one year to go. Does the Secretary of State believe that the timetable for the transfer is achievable?

Hilary Benn: Yes, I do. We consulted on this in 2007, and the change has been widely welcomed. In essence, it will create a kind of national insurance system for householders who had no idea that they faced any liability until something went wrong and they discovered that they were connected to a private sewer and were presented with an enormous bill. Handling the matter in this way represents a very sensible step forward.

Tim Farron (Westmorland and Lonsdale) (LD): Many residents in rural areas—I am thinking of the Summerland estate near Enmore in my constituency—depend on septic tanks, yet their uptake is a huge financial burden to families, many of whom are struggling to make ends meet during the recession. Will the Secretary of State take the advice of Natural England and ensure that private septic tank systems are also transferred to the responsibilities of water companies?

Hilary Benn: Obviously, by definition, private septic tanks are separate, and that is not something that we are currently proposing to do. I would be happy to look further into the matter and to respond to the hon. Gentleman. I think we have to recognise that it is the transfer of the sewerage system that we have already made clear we wish to move across that will provide the principal benefit, although I recognise the situation in which his constituents find themselves.

Miss Anne McIntosh (Vale of York) (Con): We all want to see a transfer of private drains and sewers to water companies; we would prefer it to be planned. Does the Secretary of State accept that by not publishing the guidance at this stage, well before the general election, he is giving insufficient time for the water and sewerage companies to plan for this transfer?

Hilary Benn: As I have already indicated, I do not think that there is enough time for this to be effective in the way that we have set it out. We will publish the consultation in the next couple of months. There has been a great deal of discussion in preparation for this happening, as the hon. Lady knows from the Under-Secretary of State, my hon. Friend Member for Ogmore (Huw Irranca-Davies) during our debate on the Flood and Water Management Bill. It is a good step. I think that there is a groundswell of support for it, and we should get on and make it happen.

Sea Defences (East Anglia)

15. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to meet representatives of local authorities in East Anglia to discuss the funding of sea defences. [315389]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): The Under-Secretary of State for Environment, Food and Rural Affairs, my hon. Friend the Member for Ogmore (Huw Irranca-Davies) last visited East Anglia in April. During his visit, he met MPs, community groups and local authority representatives and discussed a range of issues on flood and coastal erosion risk management in the region. I am, as ever, happy to meet colleagues to discuss this very important matter.

Mr. Bellingham: I thank the Secretary of State for that answer, but is he aware of the anger and dismay expressed by many communities along the north Norfolk coast which are very concerned that the north Norfolk shoreline management plan envisages the use of managed retreat rather than improving existing sea defences? Will he confirm that managed retreat will play no part in his Department's future sea defence policy?

Hilary Benn: I cannot confirm that because, depending on what happens to sea level rise, it would be a very unwise Secretary of State to stand at this Dispatch Box and say, "No, not under any circumstances." However, I am aware of the concerns expressed by a number of the hon. Gentleman's constituents about the north Norfolk plan, particularly the proposal for realignment where, I think, the River Burn comes out of the estuary by Scolt Head, but we will review these proposals and I understand that revised options will be put to a meeting of elected members at a forum on Monday.

River Pollution (House Building)

16. **Mrs. Maria Miller** (Basingstoke) (Con): What recent discussions he has had with the Environment Agency on the effect on river pollution of the level of house building. [315390]

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): My right hon. Friend the Secretary of State and the Minister for marine and natural environment, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), held discussions with the Environment Agency in November 2009 regarding the approval of the river basin management plans developed under the water framework directive, which were published on 22 December 2009. Those discussions covered the implications of housing growth and other pressures on meeting our water quality objectives, as well as the Environment Agency's plans to improve water quality during the first river basin planning cycle, which runs from 2009 to 2015.

Mrs. Miller: I thank the Minister for his reply. The Environment Agency, the Hampshire and Isle of Wight wildlife trust and a new residents group, "Save our Loddon Valley Environment" are gravely concerned that the River Loddon in Basingstoke is polluted with phosphate levels six times the legal standard. Will the Minister confirm that his Department will endorse new house building only if it does not involve perpetuating river pollution of this scale?

Jim Fitzpatrick: The hon. Lady raises a very important point. It is quite straightforward for us that the Departments for Environment, Food and Rural Affairs and for Communities and Local Government, the Environment Agency and Ofwat work together to ensure that environmental limits in regional spatial strategies and predicted housing growth data are aligned with water resource management plans and river basin management plans. The water framework directive has raised the bar in terms of what we need to achieve. DEFRA and the DCLG are working together with the Environment Agency to produce water and planning guidance. They are aware of the phosphate issue that the hon. Lady correctly raises, and I know that it is very much under review.

Water Abstraction Licensing

17. **Robert Key** (Salisbury) (Con): When he plans to remove Crown immunity from arrangements for control of water abstraction licensing. [315391]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): We consulted last summer on the removal of certain exemptions from abstraction licence control, including the one that currently applies to the Crown. When we remove those exemptions, Crown bodies will become subject to the same licensing regime as other abstractors. We are now considering the response to the consultation.

Robert Key: The River Avon, which flows through my constituency, is a special area of conservation and has one of the highest water qualities among UK rivers, but the management of the Avon basin is being made much more difficult by the fact that the Ministry of Defence is subject to Crown immunity. It is impossible to plan sensibly and sustainably for water abstraction, low-flow problems and so on unless the MOD participates in joined-up government by simply opening up and saying, "Yes, we take this much out and put that much in."

Hilary Benn: The hon. Gentleman makes a very fair point. That is why the consultation proposed that Crown immunity be removed. I know that he is particularly concerned about water abstraction in Tidworth, and the proposals for new MOD housing and other development. We intend to take action that will give him what he seeks when we have finished reflecting on the responses to the consultation.

Sustainable Fisheries

18. **Mr. Andrew Pelling** (Croydon, Central) (Ind): If he will assess the merits of the effort-based approach to fish stock conservation in operation in the Faroe Islands. [315392]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): The Government will draw on the experience of many fisheries management systems throughout the world, including the one that operates in the Faroes, when considering the nature of necessary improvements to the management of fish stocks under the reform of the common fisheries policy. We need to focus on the long-term sustainability of EU fish stocks.

Mr. Pelling: Thank you for managing the business so effectively, Mr. Speaker, to get to Question 18.

I am grateful for the Minister's constructive reply. In an earlier answer, he decried the discard. The common fisheries policy is hardly a green policy. Does he think it possible for the Government to draw on the lessons of the Faroe Islands to bring about a real change in it?

Huw Irranca-Davies: Yes, indeed. The Faroes are not the only example in the world of the use of effort management. It can be used in different ways, and it has

some benefits. From our point of view, however, it involves some difficult issues, including the question of how we can move from our present arrangements to an effort-management regime. We need to think about the conversion of effort management into fishing days in the context of our current quota, and about the ability of the system to respond rapidly to what is happening to species, particularly in mixed fisheries.

We are already taking action. We do not need to wait for CFP reform in order to tackle discards. I believe that some of the on-board electronic monitoring systems that we are hoping to introduce later in the year will help to signpost the way forward.

Anaerobic Digestion

20. **Alistair Burt** (North-East Bedfordshire) (Con): How many anaerobic digestion facilities have been opened in each of the last three years. [315396]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dan Norris): There is no centrally held record of anaerobic digestion plants. As for facilities where a permit is required under European Union waste legislation, the Environment Agency has confirmed that to date there are 11 permitted anaerobic digestion facilities, two permit applications in process for facilities, and 51 proposed anaerobic digestion sites in the permit pre-application stage.

Alistair Burt: I am delighted to say that one of the anaerobic digestion facilities, Biogen in Milton Ernest, is in my constituency. I believe that Ministers have visited it. I pay tribute to Andrew Needham and his colleagues for the work that they have done. However, does the Minister share the disappointment expressed by the National Farmers Union on Monday that an opportunity to encourage more on-farm biogas facilities was missed as a result of the failure to adopt an appropriate feed-in tariff to enable their energy to be used?

Dan Norris: I thank the hon. Gentleman for his kind comments. We rate anaerobic digestion highly, which is why we invest such a huge sum in it. We have invested £10 million in the anaerobic digestion demonstration programme, and have also convened an anaerobic digestion task group to make recommendations. We are considering those recommendations as we develop the anaerobic digestion implementation plan, which we aim to publish shortly.

I hope that the hon. Gentleman recognises our commitment to anaerobic digestion. As for tariffs, I think that they provide a good incentive. We pay careful attention to the way in which they work in practice, and we will review their operation, but we feel that we have pitched the measures we have taken at the right place and the right time.

Dangerous Dogs

21. **Martin Linton** (Battersea) (Lab): What steps he plans to take in response to Professor Sir Patrick Bateson's report on legislation on dangerous dogs. [315397]

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): The Government take the issue of dangerous dogs very seriously. We welcome Professor Bateson's report, which deals mainly with dog breeding and the way in which dogs are bought and sold. We will be taking views from key organisations before deciding on the Government's response to the issues raised.

I am delighted to tell the House that my hon. Friend the Member for Battersea (Martin Linton) and I had an opportunity to engage in a preliminary discussion on these important matters yesterday, when we paid a very informative visit to the excellent Battersea Dogs and Cats Home.

Martin Linton: My hon. Friend saw during his visit to Battersea that almost half of all the dogs that are admitted are Staffies or Bull-breed crosses. Most have to be put down even though they are of sound temperament, because back-street breeders are selling puppies in pubs—often to complete strangers—for £250. Does he accept that the dog control laws are no longer fit for purpose, and will he institute a review looking not only at the Bateson report, but at compulsory microchipping, a minimum age for dog ownership and some form of registration for breeders?

Jim Fitzpatrick: I cannot agree to the call for a review, because I understand that that has formal implications in respect of the procedures of the House, but I can assure my hon. Friend that the Bateson report will inform Government policy on this important issue. Recent tragic attacks have demonstrated that these very dangerous dogs still present a danger in ordinary people's homes, so we do need to look at the issue, and I agree with my hon. Friend that the Bateson report gives us an opportunity to do so.

Endangered Species

23. **Mr. Simon Burns** (West Chelmsford) (Con): What the Government's position is on the proposals about elephants submitted for the 15th meeting of the conference of the parties to the convention on international trade in endangered species. [315399]

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): At the 15th conference of parties to CITES, the UK will vote against proposals from Tanzania and Zambia to sell their ivory stocks, and we are urging other countries to do the same. We are awaiting the findings of a CITES panel of experts before taking a view on the proposals by Zambia and Tanzania to down-list their elephant populations.

Mr. Burns: I thank the Secretary of State for that answer; his response will be widely welcomed on both sides of the House. Will he give us an assessment of the damage to the elephants if those applications are granted?

Hilary Benn: As the Under-Secretary, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), said a few moments ago, there was the decision on the one-off sale, but we have always been very clear that we have to see what the consequences are, and if the point about damaging consequences that the Opposition spokesman, the hon. Member for Arundel and South Downs (Nick Herbert), made is true, we will not support that again. We are already in favour of a nine-year ban. It is important to look at the evidence, and that is why we are so strongly opposed to what Zambia and Tanzania

currently propose; it does not give sufficient time for the answer to the question to be found. That is why we have taken this decision, and I hope very much that other participants at the CITES meeting will follow the lead the United Kingdom and other countries have taken.

Topical Questions

T1. [315400] **Mr. Desmond Swayne** (New Forest, West) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Hilary Benn): As this is the first Department for Environment, Food and Rural Affairs Question Time since David Taylor's very untimely death, may I just say how much we all miss him? He was a very regular attender at this occasion and a passionate supporter of the environment, and he was a very fine Member of Parliament and human being.

DEFRA's job is to help us all live within our environmental means. I am pleased to be able to tell the House that the new grocery supply chain code of practice, which will help suppliers receive fair terms and conditions from supermarkets, comes into force today. The Government have also accepted the Competition Commission recommendation that an independent body be introduced to enforce the code. This body will help to strike the right balance between farmers and food producers getting a fair deal and supermarkets enabling consumers to get the high-quality British food that they want at an affordable price. We will publish a consultation on how to implement this tomorrow.

Mr. Swayne: I thank the Secretary of State for his fitting tribute to David Taylor.

Countless generations of schoolboys and girls will know about the erosion of the cliffs at Barton-on-Sea from their O-level and GCSE geography lessons, but is the Secretary of State aware of the anxiety and alarm that the current consultation on managing the erosion is causing, and will he favour me with a meeting, including also his colleague the Under-Secretary, the hon. Member for Ogmore (Huw Irranca-Davies), to discuss what is achievable and affordable with the stakeholders?

Hilary Benn: I would be very happy to meet the hon. Gentleman. I think he and I already have a date in the diary to talk about weed control, which he raised at our last Question Time, so perhaps we can deal with the two issues at the same meeting.

T3. [315402] **John Robertson** (Glasgow, North-West) (Lab): Following yesterday's publication of a survey of the country's nature-rich small pools which found that eight out of 10 of them were in a terrible state, what does the Department propose to do to tackle this problem, which is of great interest not only to the wildlife itself, but to people who are interested in wildlife?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Huw Irranca-Davies): It is a very good question, and we have confidence in the report's findings, which show some improvements within rivers and other waterways; however, the deterioration of ponds is specified. Pond Conservation acknowledges in its press release on the report that the news is not all bad. In fact, ponds close to rivers and other wetlands were higher quality, suggesting that there is something of a "protective network" effect when different types of freshwater habitats are close together. However, we, Natural England and other partners will work together to make sure that we can deal with this degradation, and Natural England is contributing £6 million to help create new landscape-scale wetlands.

T2. [315401] **Mr. Michael Jack** (Fylde) (Con): May I associate myself with the Secretary of State's comments about the late David Taylor? He was an exceptional member of the Environment, Food and Rural Affairs Committee.

May I also put it to the Secretary of State that in 2015, Britain may face a new waste mountain of FM radios? If the proposal goes through to turn off the FM signal and move solely to digital, very large numbers of perfectly serviceable radios with many years of life left will simply have to be thrown away. In the context of the Digital Economy Bill and work on this area, what work will be undertaken to evaluate the sustainability and waste implications of this proposal?

Hilary Benn: The right hon. Gentleman raises an extremely good point, and I will look into this issue and come back to him. In the meantime, I hope the House will have noted that from the first of this month, we have had a system in place for recycling the very large number of batteries used—some of which go into the FM radios he referred to—in order to make it easy for consumers going back to the shops where they bought them to pop them in the bin and ensure that they are recycled.

Mr. David Drew (Stroud) (Lab/Co-op): May I associate myself with the remarks about my good friend David Taylor?

Will the Under-Secretary of State, my hon. Friend the Member for Ogmore (Huw Irranca-Davies), in looking at how we can make our approach to fishing more sustainable and alter the common fisheries policy, examine how we can improve procurement from public bodies, using only fish from sustainable stocks?

Huw Irranca-Davies: That is an extremely important point, and there is now widespread recognition of the tick-box scheme—the Marine Stewardship Council scheme, and so on—which supermarkets are increasingly using. I notice—this sounds like product placement—that Marks & Spencer is making a big deal of this at the moment, but the Co-op, Sainsbury's and others are pushing very hard. DEFRA has a complete policy across the Department, and we are working across Government. We need to drive this down to local government as well, and to other agencies. It is important that we eat fish that comes from sustainable sources.

T4. [315403] **John Hemming** (Birmingham, Yardley) (LD): On the Department's priorities of sustainable consumption and sustainable development, what discussions have there been between it and the Department for Transport about bus regulation and whether regulation outside London needs to be modified to provide more sustainable systems of resource consumption?

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): The hon. Gentleman will know that the Local Transport Bill dealt with bus deregulation and the position in London vis-à-vis the rest of the country. We are discussing with the Department for Transport a number of air quality issues affecting transport, and those discussions will continue.

Clive Efford (Eltham) (Lab): Has my hon. Friend had a chance to see the Environmental Investigation Agency report, published on Monday, into the use of hydroflurocarbons in supermarkets, which demonstrates that their use is not being cut as much as we would like? They are 4,000 times more potent in terms of global warming than carbon dioxide – the equivalent in emissions of 5.6 billion plastic bags. May I urge my hon. Friend to legislate to create a level playing field, in order to reduce the use of these gases in supermarket refrigeration?

Jim Fitzpatrick: My hon. Friend is well known for leading on this issue and pushing the Government as hard as possible to achieve action. I have already had one meeting with him, and I am aware of the report, which we are studying. He knows that the matter was discussed at Copenhagen, and I believe there is an early-day motion down in his name that is gathering many signatures. This is an important issue and we will need to make progress on it in due course.

T5. [315405] **Mr. Edward Timpson** (Crewe and Nantwich) (Con): Can the Minister explain to John Porter, a dairy farmer in my constituency, why, like many farmers across England, he has still not received any 2009 payments under the single payment scheme, at a time when it has been revealed that the Rural Payment Agency's chief executive received an £11,000 bonus in the last financial year?

Jim Fitzpatrick: We have discussed the Rural Payments Agency a number of times in recent months. Its performance over recent years has improved year on year. It was able to meet its targets for this year six weeks ahead of schedule. I understand that it has concluded payments to 88 per cent. of farmers, which is more than last year. More money is also being paid out than last year. An improvement has been made, but some farmers have still not yet received their payments. I would ask the hon. Gentleman to write to me about any particular problem that he identifies, because I would be very happy to get the matter examined as soon as possible.

Jane Kennedy (Liverpool, Wavertree) (Lab): David Taylor's absence this morning is indeed marked.

Does the Secretary of State agree that the quality of the farmed environment is as important to those of us who live in cities as it is to those who are fortunate enough to live and work in the countryside? Will he give us a progress report on the campaign for the farmed environment?

Hilary Benn: Very readily. We published very recently the information about the baseline survey, and we found that 85 per cent. of farmers were aware of the campaign. That shows that it has had a huge impact in a short space of time. Fifty one per cent. of farmers had some cultivable land out of production—that involved about 157,000 hectares—and a total of 174,000 hectares were managed under some form of voluntary environmental measure. That is really important, because it shows the huge amount of work that farmers are doing, and the purpose of the campaign is to encourage more farmers to do the same.

T6. [315406] **Bob Russell** (Colchester) (LD): The Department's title contains the word "Food", so what involvement, if any, does it have in promoting allotments? If, like me, the Secretary of State thinks that they have an important part to play in the life of the country, will he lead an interdepartmental conference to put allotments high up on the agenda for growing food in this country?

Hilary Benn: I could not agree more with the hon. Gentleman. Obviously, the Department for Communities and Local Government has the lead responsibility on this matter, but all of us who care about food have an interest in getting more people to grow their own food. The demand for allotments is enormous. He will have seen in the food strategy published at the beginning of last month that one of the things we are working on is the production of the "meanwhile" leases, so that additional land that is not being used but could be used for growing food can, in the short term, pass to those who want to grow it. That would represent a big step forward.

Mr. Lindsay Hoyle (Chorley) (Lab): Labelling is obviously important, because it is about choice and about people knowing what they are buying. What more can we do to support the Red Tractor logo, because it is about the best of British produce? What are the Government going to do to support that?

Jim Fitzpatrick: I fairly recently had a meeting with the Red Tractor officers. My hon. Friend correctly says that the logo is a very clear indication for consumers that the product that they are buying is of quality. The officers are very much looking to raise the profile of the Red Tractor logo, because the greater the awareness among consumers of what it stands for, the greater the likelihood of their buying products with that signal on them.

T7. [315407] **Tony Baldry** (Banbury) (Con): Why is the Department making energy-saving water heat exchange projects unviable by charging comparatively large amounts of money for licences for the extraction and discharge of water, given that there is no change in the volume or quality of the water and nothing is added or subtracted except heat?

Hilary Benn: We are not trying to make life difficult. If the extraction for heat exchangers is less than 20 cubic metres, no permit is required and, thus, there is no charge. I am advised that to apply there is a one-off payment of £135. The issue is simply about having confidence that what is taken out of the aquifer or river goes back in a form that does not affect the quality. I have looked into this matter and found that the Environment Agency is reviewing the arrangements, because we are keen to encourage the development of this kind of scheme. I know that a particular constituency case has given rise to this question, and the Environment Agency will do its best to respond in relation to that application.

Natascha Engel (North-East Derbyshire) (Lab): Last week, I had one of my regular meetings with local farmers in North-East Derbyshire. One of the issues that comes up again and again is the cost of complying with legislation on nitrate vulnerable zones. Farmers in Scotland, Wales and Northern Ireland are compensated with grant packages. What more can Ministers do to ensure that English farmers are also compensated for the cost of complying with this legislation?

Huw Irranca-Davies: My hon. Friend raises an important point. I understand that she has recently written to us about that, and I shall answer her in some detail when I respond. However, I think that she will recognise that NVZs are an important tool in our armoury to tackle environmental degradation, not least in respect of the earlier question on the state of our ponds. It is an important issue and perhaps I can offer to meet her to discuss this in further detail, so that she can take some positive messages back to her farmers.

T8. [315408] **Mr. David Evennett** (Bexleyheath and Crayford) (Con): Will the Secretary of State congratulate my borough, Bexley, which has consistently been among the top councils in greater London for recycling? What further measures does he plan to take to assist councils in endeavouring to improve recycling even further?

Hilary Benn: I am happy to welcome progress in every local authority in improving recycling rates, and we just heard about the rising figures overall. The landfill levy is a very effective policy for encouraging recycling. We will, indeed, respond to the consultation on landfill bands, and I welcome the hon. Gentleman's support for what we have said for quite some time that we will do. That will provide an important further incentive by saying that there are certain products that it simply does not make sense to dump in landfill holes in the ground and that we should find other ways of dealing with them.

Rob Marris (Wolverhampton, South-West) (Lab): Wolverhampton was one of the first Fairtrade cities in the country, assisted by the Midcounties Co-operative and an excellent local group that works hard. We have Fairtrade fortnight coming up this month. Will the Government tell me what more they are doing to promote Fairtrade?

Hilary Benn: We have given quite a lot of support over the years to the Fairtrade Foundation. It is a really good example of a good idea that has taken off. It shows that consumers, when they buy food, want to ensure that the farmer at the other end of the transaction—even if they do not know them—gets a decent price for the good food that they produce. *[Interruption.]*

Mr. Speaker: Order. There is quite a lot of chattering going on, but I am sure that the House wants to hear Sir Nicholas Winterton.

T9. [315409] **Sir Nicholas Winterton** (Macclesfield) (Con): Mr. Speaker, my Macclesfield constituency is renowned for its excellent dairy farms, but the dairy farmers are deeply worried about the continuing spread of bovine TB. Do the Secretary of State and the Government take seriously the view of the British Veterinary Association, which has warmly welcomed the decision taken by the Welsh Assembly Government to have a pilot cull and stricter measures? This is important. Will he give a definitive response?

Hilary Benn: On culling, as the hon. Gentleman will have heard earlier, I gave the Government's response in the light of the trials that were conducted under the Krebs programme. The Independent Scientific Group's view was that it could not effectively contribute to the control of bovine TB. We will, of course, watch very carefully what happens elsewhere. I should just say one other thing. In the wake of my decision, we established the TB eradication group, which involved the industry coming together to recommend a range of measures, including tightening some of the controls. The group put its recommendations to me towards the end of last year and I have accepted every single one of them, because I am determined to work in partnership with the industry to try to beat this terrible disease.

Sir Alan Beith (Berwick-upon-Tweed) (LD): Does the Minister realise that one of the sources of delay in single farm payments, certainly in my constituency, is that a large number of claims are held up at the Northallerton office while consideration is given to redesignating small pockets of land on each holding? After a very tough winter for farmers, can he get these payments speeded up?

Jim Fitzpatrick: I can assure the right hon. Gentleman that we are doing everything we can to assist the Rural Payments Agency in expediting all payments. As I said a moment ago, 88 per cent. of farmers have been paid and 84 per cent. of payments have been made. The agency is ahead of schedule—it is way ahead of even last year. I know that that does not satisfy those farmers who are still waiting, but I can give him every assurance that we are making our best endeavours to assist them. I know that the agency is working very hard and ought to be commended for its improved performance year on year on year since the difficulties in the mid-2000s.

Mr. David Heath (Somerton and Frome) (LD): As the Minister will know, in Somerset we have a lot of open-air festivals in the summer, particularly the Glastonbury festival. One thing that was very popular last year was setting off Chinese lanterns, which are absolutely beautiful when they go up into the night sky, but when they come down in farmland, the wires that are used to construct them get chopped up and added to hay and silage. They can cause terrible problems for livestock. Is there anything that the Minister can do to persuade the manufacturers or those who license imports to ensure that the construction is biodegradable and safe for livestock?

Jim Fitzpatrick: That is a very good question. I know that this matter has recently received publicity, and it is of genuine concern. Obviously, we do not have any power to prevent people from buying those things, but we hope that common sense will prevail, both in terms of consumers purchasing them and in respect of manufacturers. I understand that, as the hon. Gentleman has said, they can be bought without wire in them and that they can be biodegradable. We still want people to enjoy themselves, but in a sensible way that does not harm cattle or health.

Mr. Speaker: Last, but not least, Mr. Andrew Pelling.

Mr. Andrew Pelling (Croydon, Central) (Ind): Conservative and Liberal councils are delaying taking a decision on an incinerator in south-west London until after local elections. Bearing in mind that toxins and toxic materials will be issued into the atmosphere, do the Government feel that it is appropriate for such incinerators to be placed in urban areas such as south-west London?

Hilary Benn: It is, as the hon. Gentleman will know, for local authorities to decide how to deal with their waste. As was indicated earlier, there is a hierarchy. Clearly, efforts to reuse and recycle should come first, but one reason why we continue to send a lot of waste to landfill is because, in comparison with some other European countries, we produce less energy from waste here. Standards have improved enormously from past times, but it is for individual local authorities to take decisions in light of local circumstances.

Parliamentary Scrutiny of EU Business

11.36 am

Michael Connarty (Linlithgow and East Falkirk) (Lab) *(Urgent Question)*: To ask the Chancellor of the Exchequer if he will make a statement on the Government's apparent intention to breach the undertaking to Parliament about the time scale and process for opt-in decisions in relation to the European Union (Amendment) Act 2008.

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): As the House will be aware, on 30 November 2009, the European Union signed an interim agreement with the United States to permit the sharing of SWIFT data for the US terrorist finance tracking programme. As the European Scrutiny Committee noted in its response to the Government's explanatory memorandum on the subject, we believe that the programme is a valuable counter-terrorist tool. I have today written to the European Scrutiny Committee setting out that it has come to our attention that the agreement will be subject to an expedited conclusion, and that the European Council's intention is to conclude it once the European Parliament has voted on it. That will not permit Parliament the usual eight weeks to scrutinise the UK's decision to opt into the agreement. I deeply regret that, and can only stress to the House that that in no way represents a weakening of the Government's commitment— *[Interruption.]* Allow me to finish. It in no way represents a weakening of the Government's commitment to allow Parliament full scrutiny of any opt-ins in the field of justice and home affairs. I would like to explain the reasons behind the UK's decision to opt in.

First, the commitment given by Baroness Ashton during the passage of the European Union (Amendment) Act 2008 was based on the fact that the UK would have a period of three months in which to decide to opt into any justice and home affairs agreement. However, in this case, the conclusion of the agreement is subject to an expedited timetable. The European Parliament may vote on the conclusion of the agreement on 9 February, with the Council concluding it shortly thereafter. The expedition is necessary, as this agreement is crucial for global security. An interruption in the flow of SWIFT data would weaken the terrorist finance tracking programme, which would not be desirable.

Secondly, the agreement is only an interim agreement. It will last for 10 months, when it will, I hope, be replaced by a permanent agreement. The permanent agreement will be decided with the full participation of Parliament at every appropriate stage in the negotiation. Thirdly, the agreement was negotiated before the Lisbon treaty came into force and, as such, on the basis of unanimity rather than qualified majority voting, as is now the case with justice and home affairs dossiers. Lastly, the final text of the EU-US agreement was taken by the European Scrutiny Committee and cleared by it in advance of the agreement being signed.

I believe that it is crucial that the UK opts into the conclusion of the interim agreement, as the national security benefits are significant. However, I assure the House that the Government have made it clear to the European Union that this is an exceptional case in which there are compelling reasons for not having the full three months available to decide to opt in, and that the UK expects the full time in future arrangements.

Michael Connarty: I thank the Minister for her reply. I think that we both agree that an important undertaking was given to Parliament on this issue. During debate on the Lisbon treaty, when I defended our case to ratify it, I was assured by Ministers, right up to the Foreign Secretary—and also in the Liaison Committee by the Prime Minister—that the undertakings that there would be proper scrutiny of opt-in decisions would be adhered to. During the passage of the European Union (Amendment) Act 2008 through the House of Lords, a statement—printed in full in appendix 1 of the House of Lords European Union Committee's second report of Session 2008-09, HL 25—was circulated to peers debating the Bill. The relevant debate can be found at columns 374 to 377 of the House of Lords *Hansard* for 9 June 2008. In it, the then Leader of the House of Lords, Baroness Ashton, gave a binding assurance that Parliament would have eight weeks to look at any proposed opt-ins.

Although the European Scrutiny Committee might find that the substance of the proposal was not contentious if it had a proper amount of time to scrutinise it, it is clearly in breach of the Government's undertaking to Parliament about the time scale and process for opt-in decisions. This is the first instance of the post-Lisbon treaty imminent opt-in decision, and the assurance given by the Government is on trial. This breach of that undertaking is therefore a very bad start to the new process.

The original document has been with the Government since November 2001, and the explanatory memorandum was cleared by the Committee on the basis that the opt-in conclusion, whatever it might be, would come to us with proper time for discussion. It is clear that someone is treating this Parliament with disdain and contempt.

The Minister said that the protocol regulating the opt-in "generally" permitted three months for the UK Government to be notified about a proposal, but I thought that it would always be permitted that amount of time. To say that the European Council is not required to give us three months is an abdication of the assurance that we were given. I think that Parliament is being treated with contempt, possibly by the Government. The European Council wants to sweep this issue aside, but surely the Government should say, "No. This is a cast-iron guarantee we have given to our Parliament. We will not sign up to this until Parliament has had the proper eight weeks for scrutiny."

It cannot be that much of a crisis, but we are worried once again that the EU will push proper process aside and that the Government will simply fall over and let it do what it wishes.

Sarah McCarthy-Fry: First, I want to make it clear to my hon. Friend, as I did in my original response to his urgent question, that we deeply regret this situation. It is in no way intended as a slight to Parliament, but we have to look at what the effect of not opting into the agreement would be. We believe that not opting in would not be in the interests of this country. There are significant reasons why we should opt in. Because the agreement was reached under unanimity, it is implied that all states will opt in. In coming into effect, this agreement bridges the gap, so to speak, between the previous unanimous procedure and the new qualified majority voting procedure.

[Sarah McCarthy-Fry]

We have, of course, the option not to opt into the agreement and to go through another period of parliamentary scrutiny, but I believe that that would not be in our best interests. *[Interruption.]* We fought very hard for this agreement, so that we could get the information that we need to track terrorist financing. I do not— *[Interruption.]*

Mr. Speaker: Order. May I ask the Minister to resume her seat momentarily? I recognise that this issue has provoked real irritation, but what I say to Members who are wittering away from a sedentary position is that they will get their chance to question the Minister. I am giving them that chance, but they must contain themselves meanwhile.

Peter Bottomley (Worthing, West) (Con): On a point of order, Mr. Speaker.

Mr. Speaker: Points of order will come later, so the hon. Gentleman should resume his seat.

Sarah McCarthy-Fry: As I was saying, we believe that there are exceptional circumstances in this case. I point out to the House that Baroness Ashton's statement recognised that there could be cases or urgency, and we believe this to be one.

Mr. Mark Hoban (Fareham) (Con): But Parliament was assured by Baroness Ashton, who is now the EU's High Representative, that we would have eight weeks to scrutinise opt-in decisions. Will the Minister explain: given that SWIFT was signed in November, why was it not referred to the European Scrutiny Committee until just days before the Government decided to sign up to it? Why did the Treasury ignore the assurances given by Baroness Ashton in June 2008 that Scrutiny Committees would be given eight weeks to look at these decisions? What steps did she take to ensure that there was proper parliamentary scrutiny of the agreement?

Does the Minister accept that when assurances are given to Parliament about scrutiny they should be respected and Parliament should not be ignored? Does the Minister accept that this is a serious breach of an important undertaking by the Government and that it is vital to ensure proper scrutiny of decisions taken by the Government in this Parliament?

Is there not a pattern here? Last week the Supreme Court quashed the Government's terrorist asset-freezing orders and in its ruling said:

"the Court's judgement vindicates the primacy of Parliament, as opposed to the Executive".

As a consequence, from 9.45 am today until emergency legislation is passed next week, terrorist suspects can access their assets. Let us be clear. As we speak, there is no law in place to prevent terrorist suspects from accessing frozen assets, despite the Prime Minister's repeated assurances. As a result of their incompetence, the Government have failed in their primary duty to protect their citizens.

Sarah McCarthy-Fry: I reiterate that this is in no way intended to be a precedent that parliamentary scrutiny will be overridden. I go back to the original question of my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty). We had to conclude agreement by 30 November because it was the last opportunity to adopt the agreement before the Lisbon procedures took effect, and we had unanimous agreement among member states. Otherwise, all the negotiations would have had to start all over again. That would have meant a delay of six months or more during which the programme would have been unable to function correctly. It was possible, within the time scale, for the matter to go through the appropriate procedure for Common's parliamentary scrutiny.

I come back to the point that unanimity means that it is implicit that all member states will opt in. The question being asked today is whether we have parliamentary scrutiny over the opt-in, and of course, under ordinary circumstances, we would expect that to happen. Because we recognise that this as an exceptional case, we propose not to exercise the opt-out but to opt in.

With regard to the asset-freezing case referred to by the hon. Member for Fareham (Mr. Hoban), my right hon. and learned Friend the Leader of the House will be announcing at business questions that on Monday we will be taking all stages of the Terrorist Asset-Freezing (Temporary Provisions) Bill.

Mr. Jeremy Browne (Taunton) (LD): The Government gave a clear and unequivocal undertaking that they would allow Parliament eight weeks to scrutinise opt-in decisions of this type. The Minister now seems to be confusing, in her mind or her remarks, process and undertaking with outcomes. Will she turn her attention to the following points?

On civil liberties, my understanding is that Germany and Austria were concerned about sharing information with third parties, and along with Greece and Hungary abstained when the EU voted on the matter last November. So it is not as non-contentious as the Minister appears to imply. Furthermore, as I understand it, genuine concerns have been expressed that when so-called pin-point requests are made for data that cannot be acceded to, all relevant data are supplied, including names, addresses and personal identification numbers. Therefore, there is all the more reason to look at this case carefully.

Am I right in my understanding that the European Parliament was given only a limited time to undertake scrutiny on this process, and that it was signed off the day before the Lisbon treaty came into effect? Does that not further confirm, in my mind and that of every other hon. Member, that we should be given the full eight weeks to look at this matter rather than one week, which is a reneging on the undertaking given by the Government themselves?

Sarah McCarthy-Fry: I want to address some of the hon. Gentleman's concerns about data protection. The European Commission designated the French counter-terrorism judge, Mr. Jean-Louis Bruguière, to the issue, and he produced a report which confirmed the accuracy of the US Treasury Department's representations to the EU on data protection practices. He concluded that the programme has generated significant security benefits for the EU. The new agreement improves the protection afforded to EU citizens compared with that under the previous programme, which was done under a US Treasury subpoena.

Under the proposed agreement, the decision to authorise transfer of data to the US Treasury Department will be made by a European judicial authority, which must verify the legality of the request. The agreement provides for reviews of the way that it is operating so as to assess, in particular, compliance with data protection safeguards. While there were some concerns from other member states, that is the reason why the agreement has only a 10-month life, which means that there will be a new agreement that will have full scrutiny in all parts of this House and all parts of the EU. As I say, it is important in this case that we maintain the programme; that is why we have taken the decision that we will opt into the programme in the interests of national security and of protecting against terrorist financing.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I thank you, Mr. Speaker, for allowing this urgent question, which is very important. Can I urge the Minister not to mistake the substance for the process? The anger on these Benches is not about the agreement, but about the fact that Parliament has been reassured, time and again, particularly post-Lisbon, that we have proper processes—and what happens then? On the very first occasion post-Lisbon, we again find that Parliament is just some irritating thing that has somehow to be dealt with. The Leader of the House is also sitting on the Front Bench. This is simply not good enough—Parliament needs to be respected, and it has not been on this occasion.

Sarah McCarthy-Fry: I recognise my hon. Friend's concerns, but I would only repeat that this agreement was reached before the Lisbon treaty came into effect, so, in a sense, it straddles the two agreements. That is why this is right in this case.

Mr. William Cash (Stone) (Con): The Minister has just said that this is not intended to be a precedent, but does she accept that it is a precedent, and that it is a precedent to prove that the promises that were repeatedly made throughout the Lisbon treaty process that there would be an increase in the powers of national Parliaments have been completely jettisoned in the most ramshackle manner? Her windbaggery today, if I may say so, demonstrates the fact that there is no real respect for this Parliament and that the procedures are simply being washed to one side.

Sarah McCarthy-Fry: Given that I am noted for my rather concise and to-the-point remarks in normal cases, I rather take exception to the word "windbaggery", particularly from the hon. Gentleman. I can only repeat that this agreement was made prior to the Lisbon treaty, and it in no way undermines our commitment to full parliamentary scrutiny. This is an exceptional case and one in which I think that the right decision has been made.

Mr. David Heathcoat-Amory (Wells) (Con): Does the Minister recall that during the debates on the Lisbon treaty we were assured in terms that scrutiny rights for national Parliaments would be enhanced? Is it not therefore a disgrace that at this first test the Government have forgotten and breached their promises and are signing up to very sensitive criminal justice matters that go to the heart of parliamentary democracy without the promised parliamentary scrutiny? Does not this show not only that the public were let down by not having the promised referendum on that treaty, but that Parliament was misled during those debates and therefore voted under a misapprehension on assurances that the Government were not sincere in giving?

Sarah McCarthy-Fry: If this were the first agreement under the new Lisbon treaty and under the qualified majority voting procedures, I could have some sympathy with the right hon. Gentleman's view. However, as the agreement was made unanimously before qualified majority voting, I do not agree.

Mr. Lindsay Hoyle (Chorley) (Lab): The Minister has tried to put the defence quite strongly, but the truth of the matter is this—I will read from her own letter to my hon. Friend the Member for Linlithgow and East Falkirk (Michael Connarty):

"The Council takes such a view in this case and is therefore expediting adoption as soon as the European Parliament gives its assent, which could be as early as 9 February. This means that on this occasion the Government is unable to grant to Parliament the agreed period of eight weeks to scrutinise the decision".

That tells us that this Chamber is being taken for granted. It is totally unacceptable, and it is about time that Ministers took responsibility for their actions and failures.

Sarah McCarthy-Fry: I am more than happy to take responsibility for my actions. I believe that it is in the best interests of this country that this agreement goes ahead, and that is why on this occasion I am prepared to allow the opt-in. To opt out would send totally the wrong message about this country's commitment to tackling terrorism and stopping terrorist financing going around the world.

Mr. Peter Bone (Wellingborough) (Con): I feel very sorry for the Minister, who is being left almost in splendid isolation; the Deputy Prime Minister has come to her rescue. Does the Minister not understand that we do not want the Executive's decision on this—we want Parliament's decision? It is not the Executive's decision but Parliament's decision that is required.

Sarah McCarthy-Fry: I can only return to the points that I originally made. The European Scrutiny Committee had the opportunity to scrutinise the original agreement, and it did. The agreement was made under unanimity. We are talking about keeping a regime going. The agreement is for only 10 months. This is in order to allow full scrutiny in all parts of the European Union, including this House, to ensure that the final agreement that we end up with is one of which everyone has had the chance to be part.

Richard Younger-Ross (Teignbridge) (LD): Does the Minister not understand that there is deep concern and fear in the country about the European process, and that this decision is feeding the siren calls from those who wish to leave the EU? If eight weeks was not possible, why did the Minister not find another process and come to the Floor of the House to say, "These are the issues", so that, as was suggested, we had scrutiny of the proposal, even if it was not in its original form?

Sarah McCarthy-Fry: I think that I have made that clear. I accept that many people in this country have concerns about the European Union. I also suggest that many people in this country have deep concerns about

terrorism and how the financing of that terrorism goes around the world. Because the actual agreement has been scrutinised under Commons procedures, I feel that in this case it is acceptable to go to the opt-in, given that it is a temporary agreement and that it was agreed before Lisbon came into force, and given that the House will have ample further opportunity to scrutinise the new agreement. It is not the first test under the Lisbon treaty.

Mr. Mark Harper (Forest of Dean) (Con): The Minister is missing the point. This is not about the substance—it is about the process. Undertakings were given for this House to make the decisions, and at the first opportunity the Government have broken their word. The Leader of House, who is sat next to the Minister, has clearly failed in her duty to look after the interests of this House and has put the Government first. Why did the Minister not refer this matter to the European Scrutiny Committee at the earliest opportunity rather than leaving it to the last possible moment?

Sarah McCarthy-Fry: This is not the first opportunity under the Lisbon treaty. I have to balance the wider interests of people in this country against the proliferation of terrorist finances. Given that the substance of the agreement had been scrutinised under this House's procedures, the only other option that I had was to opt out of this agreement, which would send totally the wrong message about whether this country—*[Interruption.]*

Mr. Speaker: Order. I say to Mr. Cash that he has asked a very full question, and I am sure that the House is grateful to him for doing so, but he really must exercise what self-restraint he is able to muster in the circumstances.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): Given the promises made and given what is happening, what is an assurance from this Government really worth?

Sarah McCarthy-Fry: I assure the House that we take our responsibilities on terrorist financing very seriously, and that I take my responsibilities to this House very seriously. This is an exceptional occasion in which, given all the points that I have made, I think that we should agree to this opt-in, and that is what I intend to do.

Business of the House

11.58 am

Sir George Young (North-West Hampshire) (Con): May I ask the Leader of the House to give us the business for next week?

The Leader of the House of Commons (Ms Harriet Harman): The business for next week will be:

MONDAY 8 FEBRUARY—Consideration of an allocation of time motion, followed by all stages of the Terrorist Asset-freezing (Temporary Provisions) Bill.

TUESDAY 9 FEBRUARY—Motion to approve a money resolution on the Constitutional Reform and Governance Bill, followed by consideration in Committee of the Constitutional Reform and Governance Bill (Day 6), followed by, if necessary, consideration of Lords Amendments.

WEDNESDAY 10 FEBRUARY—If necessary, consideration of Lords Amendments, followed by motion on section 5 of the European Communities (Amendment) Act 1993, followed by motion to approve a resolution relating to the House of Commons Disqualification Act, followed by motion to approve an instruction relating to the Crime and Security Bill, followed by, if necessary, consideration of Lords Amendments.

The business for the week commencing 22 February will include:

MONDAY 22 FEBRUARY—General debate on the report from the House of Commons Reform Committee on "Rebuilding the House".

TUESDAY 23 FEBRUARY—Remaining stages of the Children, Schools and Families Bill.

WEDNESDAY 24 FEBRUARY—Remaining stages of the Energy Bill.

THURSDAY 25 FEBRUARY—A general debate on Welsh Affairs.

FRIDAY 26 FEBRUARY—Private Members' Bills.

The provisional business for the week commencing 1 March will include:

MONDAY 1 MARCH—Opposition Day (Half-day) [4th Allotted Day]. There will be a debate on an Opposition motion, subject to be announced, followed by motion relating to the draft Prevention of Terrorism Act 2005 (Continuance in Force of Sections 1 to 9) Order 2010, followed by motion relating to the draft Social Security Benefits Uprating Order 2010.

I should also like to inform the House that the business in Westminster Hall for 11 and 18 March will be:

THURSDAY 11 MARCH—A debate on the third sector and Government working together to help communities.

THURSDAY 18 MARCH—A debate from the Health Committee entitled "Patient Safety".

Sir George Young: The House is grateful to the right hon. and learned Lady for giving us the forthcoming business. I am sure that the House will want to return to the issue raised in the rather unsatisfactory exchanges that we have just heard. Members will have noted that in about half an hour, there was not one supportive question for the hapless Treasury Minister.

On Monday's business dealing with terrorist assets, may I ask why the Government had no contingency plan for what has just happened? Lord Newton's Committee warned the Government about the loophole six years ago, and the Government have known about the challenges to orders on terrorist assets since April 2008. Last week the Government had a 40-clause Bill, but now they have a three-clause Bill. There is no law to prevent terrorists from going to the bank between now and Monday and claiming their money back. Why were the Government so ill prepared?

On political reform and the business for the first Monday back after the recess, may I press the right hon. and learned Lady further on the Government's disastrous handling of the Wright Committee report? She is wasting time next Tuesday on the alternative vote, but putting at risk progress on the recommendations of an elected Select Committee of the House. Two weeks ago she said that some Wright reforms could be

"in operation before the House rises."—[*Official Report*, 21 January 2010; Vol. 504, c. 449.]

But on Tuesday at the Liaison Committee, the Prime Minister admitted that if proposals were objected to, there might not be enough parliamentary time for them to be implemented before an election. Is the Leader of the House aware that there is a growing feeling that people simply cannot take this Government seriously on reform? No fewer than seven constitutional campaign groups are urging her to look again at the procedure for the debate. Will she give a firm commitment that the House will have proper time to get changes made to Standing Orders, as the Wright Committee wished, before the election? Given the approaching recess, will she ensure that the motions that the Government intend to take forward will be tabled by next Monday at the very latest?

May we have a debate on the chaos of the Student Loans Company? Many hon. Members will have had complaints from their constituents about the endless delays and inefficiencies of that body, and today we learn that two months after the Government said that the problems were being fixed, more than two thirds of students with disabilities or special needs have failed to receive the crucial funds that they need for their studies. May we have a full statement from the Government to explain what they are doing to remedy and mitigate that distressing problem?

The Leader of the House will be aware that the findings on the Government's management of the out-of-hours contracts will be laid bare today by a report to the Department of Health and by the coroner's verdict following an inquest into the tragic deaths in Cambridgeshire. Will she ensure that a Health Minister comes to the House to make a statement on the review of the out-of-hours service?

When can we have the annual debate on international development? It was postponed last November and was meant to be rescheduled for next Wednesday, but it does not appear in the business that the Leader of the House has just read out.

Given that the right hon. and learned Lady has so far failed to meet my requests for a debate on the crisis in Haiti, will she now guarantee that that important debate will be held as soon as possible on our return from the February recess?

I now turn to familiar territory. When will the Chancellor present his Budget to the House? Finally on dates, this is the last time we shall have business questions until 25 February, and there is still no news of the Easter recess. [HON. MEMBERS: "Question 42!"] Yes, it is question 42. Let me put to the right hon. and learned Lady a scenario on which I believe it might be sensible to proceed. I suggest that the Prime Minister will visit the palace on 29 March and announce the election, that the House will adjourn for the Easter recess on Maundy Thursday and not return, that Her Majesty will dissolve Parliament on 12 April, with a general election on 6 May, and that some of us will return for swearing in on 12 May. Would the right hon. and learned Lady like to confirm or deny that?

Ms Harman: In relation to the Terrorist Asset-Freezing (Temporary Provisions) Bill, which I have announced will have all its stages next Monday, subject to the approval of the House, hon. Members will be aware of the Supreme Court's decision on the vires under which the order involved was made. Clearly we have to set the law in order and ensure that we have the powers that we need to use against assets that have been built up for use in terrorist activity. We are ready to make it clear this afternoon what those provisions are. The Bill will be introduced tomorrow, and on Monday, subject to the House's approval, it will have all its stages and then go off to the Lords.

As will be seen this afternoon, we have made it clear that the Bill's application will be retrospective. It is obviously an absolute priority to ensure that terrorists do not have assets at their disposal to use against people in this country, and we will ensure that the powers are available, and made retrospective, to deal with the issue that the Supreme Court raised, which was simply that the order was ultra vires.

I would make two points on how we are dealing with the Wright Committee recommendations. I have said at business questions that we hope the House will agree to more than 20 provisions in the report, and we intend to table them for approval after a full day's debate on 22 February. If we can approve some, if not all, of the motions that I will table then, that will be a good start. I will bring back those that, because Members object to them, are not approved. We will lay amendable motions, and then the House will vote on them.

As there are more than 20 areas of consideration on which we propose to move forward, it will be helpful if some of them, if not all, can be dealt with after a full day's debate. We can get the debate dealt with so that the House can be heard, and then if there are motions to which there is no objection, they can go through straightforwardly by agreement. On some issues there will undoubtedly not be agreement, and those will then have to come back to the House in motions that are amendable and can be voted on.

The right hon. Gentleman talks as though there were unanimity in the House on all the Wright reform issues, and as though somehow, only the Government stood in the way. He is fostering that impression, but it is a misapprehension. As shadow Leader of the House, he should know that on some substantial matters that the Government are in favour of, there is division in the House. For example, we support the idea of secret ballots for the election of Chairmen of Select Committees.

[Ms Harman]

He will know that last week the Liaison Committee was split down the middle on that, and voted to support it by only seven to six. So I would be grateful if he did not purvey the view that he and the whole House are reformers, and the Government are standing in their way. That is not true and does not reflect all the progress that the House has been able to make in the past 13 years on initiatives introduced by previous Leaders of the House. Reform has happened, and further reform, with the House's support, will be forthcoming under the Wright Committee recommendations.

Inspection and tight regulation of the out-of-hours GP service are obviously important. All primary care trusts should ensure that the out-of-hours service in their area is in order.

The right hon. Gentleman asked about a day of debate on international development. One of the Wright Committee's proposals is for all Back-Bench business and general debate to be determined by a Back-Bench Committee. The Government back that. If it were agreed, the right hon. Gentleman or other hon. Members would not be asking me why we had not had a day to debate international development, because it would be down to Back Benchers to decide when to have a defence day, an international development day or a Welsh day, and to determine the subjects of topical debates. Frankly, I look forward to the day when hon. Members can ask themselves rather than me why such a decision has been made. [HON. MEMBERS: "And in the meantime?"] In the meantime, I use my good endeavours to draw on the will of the House and ensure that we get the debates right. The answer is: as soon as possible.

As for an election date, I shall not be announcing that as part of the business of the House.

Mr. David Heath (Somerton and Frome) (LD): Seventeen years ago this week "Groundhog Day" was released—a film in which, hon. Members may remember, the major character was destined to relive the same day until he got things right. I wonder whether there is any similarity to business questions, when we ask exactly the same questions each week, and the Leader of the House has not quite got it right yet.

I do not suppose that there is any point in repeating the question that the right hon. and learned Lady simply does not answer, about the date of the Budget. We had, quite properly, a debate on the pre-Budget report. May we now have a debate on the influential study that the Institute for Fiscal Studies issued yesterday—its so-called green Budget? It disagrees fundamentally with some of the Treasury's rosy assumptions about the UK's future. It says that long-term growth of 2.75 per cent., as forecast by the Government, is an absurd fantasy, that unemployment is likely to rise from 6 to 9 per cent. by 2015, and that the assumptions about Government revenue are entirely bogus. We should debate those assessments, which experts have made, so that we can gauge how deep a hole the country is in.

Every week we discuss the conduct of parliamentary business, and every week we are told that the Government are committed to reforming how Parliament works. In reply to the urgent question that preceded business questions, we heard just how committed the Government are to allowing Parliament a say in matters that are properly parliamentary business. We have just heard from the Leader of the House how she intends to approach the Wright Committee's report. No one thinks that there is unanimity on the subject, but we would like the opportunity to debate and agree all, not just some, of the recommendations. She has yet to tell us even which recommendations she will allow us to discuss. Perhaps she would like to do that in the near future.

One of the main criticisms of the House is that we scrutinise Bills so badly. Yet we continue to do it badly. As of this morning, the Committee considering the Children, Schools and Families Bill has scrutinised only 14 of the 50 clauses in that important measure, and the Leader of the House has just announced its remaining stages. Today is its last day in Committee, so the other clauses will not be properly scrutinised. When will we do the job properly? If we will not do it properly, we must give the other place a chance to do it instead. Does she accept that many of the Bills before the House will get no further than Second Reading in another place before we enter the wash-up process, and that that is not the right way to scrutinise business?

We had some discussion of dodgy crime statistics this week. I do not approve of basing arguments on crime statistics that are not right, but let me give some genuine statistics. The retail crime survey suggests that retail crime cost the sector £1.1 billion this year—a 10 per cent. increase. That equates to 72,000 retail jobs. May we have a debate on retail crime so that we can ascertain whether there is anything that we as a Parliament can do to prevent such crime—and, ultimately, its cost to all of us as consumers?

Ms Harman: The hon. Gentleman raised economic issues, following the report of the Institute for Fiscal Studies. No one could accuse the Chancellor of purveying rosy assumptions. He has always said that it was going to be a difficult time for the economy, and that it would begin to start recovering only at the turn of the year—as has happened. We have been encouraged by the fall in unemployment in the past two months, particularly as unemployment usually continues to rise after an economy begins to recover. In the 1990s recession under the Conservative Government, because of an absolute absence of labour market measures and help for the unemployed, unemployment carried on rising for three years after the economy had returned to growth. In the 1980s recession, unemployment continued to rise for five years after the economy had started recovering. We are encouraged by the improvement in employment, but we make no rosy assumptions.

We are not prepared to go along with cuts in public investment or taking money out of the economy, as proposed by the official Opposition, precisely because we regard the economy as still vulnerable. We will continue to support the economy and to support people who become unemployed to get back into work, and we have a clear plan for reducing the deficit by half in four years.

It is also worth bearing in mind that the amount, as a percentage of gross domestic product, that the Government spend on servicing the debt, which has been necessary to support the economy, is less than the amount that the Conservative Government spent annually on servicing debt in all their years of government, except two. If it comes to a question of whether the debt is affordable, I

stress that we are spending less as a percentage of our national wealth on debt than the Tories spent in all but two years. I know that is not what the hon. Member for Somerton and Frome (Mr. Heath) asked, but I am sure that he is interested in the answer.

Mr. Heath: Worth sharing, anyway.

Ms Harman: Yes. I am sure the hon. Gentleman wishes that he had asked that question.

I hope that hon. Members will accept my good faith on the Wright Committee report, because I do not do devious. [HON. MEMBERS: "Oh!"] I am trying to assist the House. We will have a full day's debate, when all the issues in the Wright report can be discussed. We will then consider a series of proposals. If there is no objection to them, they will go through and could be implemented. If there is an objection to them, they will come back to the House for decision, but we will not need to debate them all over again, because we will have done that. We will then get on with making decisions. At that point, the decision about what amendments are tabled will be in the hands of the House. We will cover the full range of the Wright Committee report. I sought to arrange things in the way that I outlined because with 646 Members, who all have a view, we could end up with propositions that would cancel each other out. I thought that it would be good to set a clear programme for approval on the first day we debate the report, and see whether we could get some things sorted and agreed, before getting into a position whereby a plethora of proposals, and more than a plethora of amendments, would be tabled, and we could end up with less than we might have achieved had we been able to proceed on the basis of a consensus, pulled together by me as Leader of the House. I hope that we can proceed by consensus.

The hon. Member for Somerton and Frome mentioned the Children, Schools and Families Bill Committee stage. He cannot have it both ways. Either there is rigid timetabling, which ensures that every bit of a Bill is scrutinised in Committee but leads to protests about timetabling, or there is no timetabling, the debate is front-loaded, and the Committee does not get to the end of the Bill. How that scrutiny is carried out is really in the hands of the Committee. We all want to make sure that there is good scrutiny on Second Reading, in Committee and on Report.

As for the crime statistics, we have to look to reduce crime across all areas, including both violent crime and acquisitive crime. One encouraging thing is that the fall in crime, both violent and acquisitive, has been so marked that it has not increased during the recession. I think that this is the first time that that has happened during a recession. Usually, a recession is accompanied by an increase in acquisitive crime. On this occasion, with the roll-out of neighbourhood policing, police community support officers and all the other crime prevention measures, we have not seen crime rising; indeed, it has continued to fall.

Several hon. Members *rose—*

Mr. Speaker: Order. Twenty-eight right hon. and hon. Members are seeking to catch my eye. If I am to accommodate everybody, as I would naturally wish to do, short questions and short answers will be required.

Kitty Ussher (Burnley) (Lab): I am deeply honoured, Mr. Speaker, to be the first of those 28. I know that my right hon. and learned Friend shares my view that it is wrong that religious organisations should be able to discriminate against, for example, gay people or women who apply for non-religious posts in those organisations. She will also know that a Government amendment on that subject was defeated recently in the other place. Will she therefore take this opportunity to clarify for hon. Members whether she will reintroduce such an amendment when the Equality Bill returns to the Commons?

Ms Harman: I thank my hon. Friend for raising this matter. The Government's policy is clear and has not changed. Our view remains that religious organisations employing people should comply with the law that applies to all other employers, whether that is the requirement to have written contracts, pay sick pay or the minimum wage, or the requirement not to sack people unfairly or discriminate against them. However, our position has always been that for specifically religious work—as a vicar, priest, rabbi or imam—religious organisations would be exempt from non-discrimination law. A religious organisation cannot discriminate against gay people or women when it hires a bookkeeper, but it can when choosing a minister of religion.

The amendment that we proposed in the House of Lords did not intend to change that policy position. What it sought to do was make the distinction between religious and non-religious jobs clearer. The Lords did not regard our amendment as helpful. We will therefore leave the law as it is, and not bring the amendment back to this House. The law will remain as it was: in anti-discrimination law there is an exemption for religious jobs but not for non-religious jobs.

Anne Main (St. Albans) (Con): May we have a statement on Thameslink? It is recorded in *Hansard* that the Thameslink programme is now

"scheduled to be completed from…2016"

and that

"key output 2…is scheduled to be delivered from 2016."—[*Official Report*, 2 February 2010; Vol. 505, c. 48WH.]

That is a year's slippage from the 2015 Thameslink project announced previously. Either the Under-Secretary of State for Transport, the hon. Member for Ipswich (Chris Mole) was not on top of his brief, or he made a statement in that Westminster Hall debate that the Thameslink programme was being slipped by a whole year.

Ms Harman: Obviously, I try to keep on top of all the issues relating to all the train lines relating to all hon. Members, but I am not able to give the hon. Lady a very specific answer on this. If she had given me notice of her question, I might have been able to give her a more substantive answer, but as it is, I will ask the Minister to write to her.

Sir Gerald Kaufman (Manchester, Gorton) (Lab): Has my right hon. and learned Friend seen early-day motion 480, standing in my name and those of a number of other Members, with regard to the disgusting way in which Bestway Northern Ltd treats its employees?

[Sir Gerald Kaufman]

[That this House expresses its extreme disapproval of Bestway Northern Limited, a business which seeks to treat its employees like serfs, which conducted a show-trial of two employees, constituents of the right hon. Member for Manchester Gorton, defamatorily accusing them of gross misconduct when their alleged offence was simply waiting for a decision on their immigration status by the UK Border Agency, which was entirely outside these two employees' control; strongly objects that they have now been dismissed on the grounds stated by their director, Dawood Pervez, that these employees 'are not permitted to work in the UK', which is a lie, since the right hon. Member has in his possession a letter dated 4 December 2009 from the UK Border Agency confirming that these two men 'will be allowed to continue with their employment in the United Kingdom, until a decision has been made on their outstanding appeals'; warns anyone seeking a job to steer clear of Bestway Northern Limited; and further warns possible customers and clients to have nothing to do with these duplicitous tyrants.]

The company staged a show trial of two of my constituents and found them guilty of gross misconduct when they had done nothing but wait for a decision by the Home Office. It sacked them despite the fact that I have a letter from the Home Office saying that they have the right to work until their appeals are heard. Is that not utterly disgusting, in the year 2010? Will my right hon. and learned Friend get the Secretary of State for Work and Pensions to deal with those people?

Ms Harman: There will be an opportunity for my right hon. Friend to raise issues of immigration law in Home Office questions next week. I know that he feels very strongly about this; he has spoken about that employer in business questions before.

Robert Key (Salisbury) (Con): Please may we have an urgent debate on the health protection of our citizens in this country, and the Government's policy on that? Three years ago the Government decided—very wisely and quite rightly—to rebuild the Centre for Emergency Preparedness and Response at Porton Down in my constituency. On Monday they told the 800-strong work force of distinguished international scientists, who protect this country against swine flu, ebola, green monkey disease, and emerging diseases and viruses—and who, incidentally, are involved in the response to terrorism—that instead of rebuilding the centre on site, they were going close it down and move the 800 jobs to Essex. That has caused huge distress locally, but of course it cannot be in the national interest at this particular moment, facing the threats we face, to disrupt the entire service on which we all so depend.

Ms Harman: I can see that the hon. Gentleman feels very strongly about this matter on behalf of his constituents. If he had given me notice of his question, I could have given him a more substantive answer—and, I am sure, reassured him and his constituents. However, as it is, I will ask the Minister concerned to write to him.

Mr. Barry Sheerman (Huddersfield) (Lab/Co-op): My right hon. and learned Friend will know that in three short years, the participation age for education, training and work will increase to 17 years. We have not yet had a commission, or a serious debate in the House, on how we are going to provide for those many young people who will need training in the community or in environmental projects. May we have a debate very soon? Three years is not very long to prepare for that great change in our education system.

Ms Harman: I agree with my hon. Friend that that is a substantive and important change. In terms of the process by which the House can engage with Ministers and scrutinise their proposals, perhaps he could raise the matter at Work and Pensions questions next week.

Justine Greening (Putney) (Con): The already stretched postal services at Putney post office face massive disruption because the leaseholder now wants to redevelop the site. All that post office managers will tell me is that they are consulting their lawyers. May we have a debate to find out how much of the post office network is at risk because the Post Office is not actually in control of it?

Ms Harman: I will ask my right hon. Friend the Minister for Business, Innovation and Skills to write to the hon. Lady.

Clive Efford (Eltham) (Lab): May we have a debate on child protection procedures in England and Wales? I do not know whether my right hon. and learned Friend has seen the report published today by Bournemouth university, but it says that violent deaths of young children have decreased by 40 per cent. since 1974, meaning that they have decreased consistently under all Governments. Such a debate would serve to prevent people from coming to the House with outrageous claims about "broken Britain", made on the back of the tragic deaths of young people, and it would give us an opportunity to focus on an important field of social care, celebrate some of the work that is being done, and find out where improvements can be made.

Ms Harman: It is gratifying to see those figures coming down, but my hon. Friend and everybody in the House will agree that while even one child is at risk, we want to make sure that all the services work together to make sure that preventable abuse and death is avoided.

Richard Younger-Ross (Teignbridge) (LD): Has the Leader of the House seen early-day motion 798, in my name, on the use of ultrasonic Mosquito devices?

[That this House notes the growing use of ultrasonic Mosquito devices; agrees with the Children's Commissioner, Sir Alan Aynsley-Green, that these are ultrasonic weapons designed to stop young people gathering, which are a powerful symbol of a deep malaise in British society and its views towards children; believes that their use in public places where children legitimately gather is wrong; and calls on the Government to urgently limit their use.]

Has she seen the comments of the Children's Commissioner, Sir Al Aynsley-Green, who yesterday described the use of such devices as symbolic of a "deep malaise" in the UK and its attitudes towards children? Such devices are used on railway stations during the rush hour when young people are going to school or college, and outside shops where young mums, who cannot hear them, leave their children, who can

hear them, in distress, so may we have, as a matter of urgency, a debate on the rights and protection of young people?

Mr. Speaker: Order. I am very worried that we have already had that debate.

Ms Harman: I think that that is an issue that would interest a number of hon. Members; perhaps it is something on which the hon. Gentleman can seek a debate in Westminster Hall.

Keith Vaz (Leicester, East) (Lab): On the subject of young people, the Leader of the House will remember coming to Leicester three years ago to open the nursery at the Peepul Centre, a £19 million project. Sadly, because of the economic situation, that millennium centre is facing financial problems. Will she arrange for a statement from the Department concerned, so that it knows what it can do to ensure that that wonderful nursery—which is called "Harriet's nursery" locally—can stay open?

Ms Harman: That is one nursery that we certainly do not want to see close. I am sure that reassurance can be given by my right hon. Friend the Secretary of State for Communities and Local Government, working alongside my right hon. Friend the Secretary of State for Children, Families and Schools. It might be a good idea for me to facilitate a meeting between the Secretary of State and my right hon. Friend the Member for Leicester, East (Keith Vaz), because I know that he is a great champion of children's services in his constituency and has done much to ensure that support services for children and parents are much better than they were some years ago.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): May I revert to the request that I made last week for a debate on Treasury interference in Ministry of Defence procurement? It is plain that the Prime Minister, when Chancellor, intervened so as to deny British forces the kit—in particular, helicopters—that they required. As a result, lives were lost. That was the evidence of Defence Secretaries and chiefs. We need to hear that evidence on the Floor of the House and call the Prime Minister to account.

Ms Harman: As far as evidence to the Chilcot inquiry is concerned, it is given as far as possible in public, and only in private when that is in the interests of national security. The Chilcot inquiry has yet to report, but we will have a defence debate soon, perhaps next month, and the right hon. and learned Gentleman could raise those issues then.

Mr. Richard Caborn (Sheffield, Central) (Lab): May I continue with the clean-up agenda that seems to be prevalent this morning? Will my right hon. and learned Friend make time for a debate on the damning report on the Ashcroft affair by the Information Commissioner, Christopher Graham, which said that statements by senior politicians about Lord Ashcroft's undertaking were "evasive and obfuscatory". The impact of certain actions by that individual, especially as we are in the run-up to an election, need scrutiny and a debate in this House. I hope that she will make time for such a debate.

Ms Harman: I thank my right hon. Friend for his question. This is now in the hands of the Information Commissioner, who has said that this information should be made public. It is in the public interest because before Lord Ashcroft was able to take his seat in the House of Lords, undertakings were given in relation to his tax affairs. The question is whether those undertakings have been met. Has he done what he promised in terms of paying tax in this country and putting his tax affairs on a proper footing? There has never been a definitive statement from him on that point, and when the Opposition have been asked they have simply given a formulaic code, which has not revealed the situation in its true light. The Information Commissioner has said that that information must be put into the open so that everybody can be sure that Lord Ashcroft has complied with the undertakings he gave in order to get into the House of Lords.

Ann Winterton (Congleton) (Con): May we have a debate on food security, an issue that is rising up the political agenda? Bearing in mind that scientific evidence points to the world entering a 30-year cooling period—*[Interruption.]* This is true. However, to my knowledge, no assessment has been made of the effect of global cooling on agricultural output. This is an important and serious issue, and the House should have an opportunity to debate it.

Ms Harman: We have just had Environment, Food and Rural Affairs questions, and DEFRA has just produced an unprecedented report called "Food 2030", which deals centrally with the question of food security, including against a background of global warming.

Sir Stuart Bell (Middlesbrough) (Lab): I will not ask the Leader of the House to alter her arrangements for the debates next week or call for an early debate, but does she agree that this Parliament is sorry that the sad story of expenses has brought it into disrepute? Does she agree that with the 62 recommendations of Sir Christopher Kelly, the publication today of the Legg review and five years of allowances, and the creation of the Independent Parliamentary Standards Authority, which creates a new body to look at our expenses, the Government and Parliament have gone some way towards restoring public trust and confidence in this Parliament?

Ms Harman: Yes, I believe that they have. We are in no doubt that the whole issue of expenses has damaged the reputation of the House, and public trust and confidence in Parliament. We are in no doubt that action needed to be taken, and it has. Everything to do with expenses is now fully out in the open and published. The current expenses system has been cut right back, and in future all expenses will be set and administered independently. On the basis of today's report, it is now clear which Members need to pay back and how much. Obviously, we expect all Members to make arrangements to repay and it is clear from the report that most already have. In any event, I will bring to the House a resolution to authorise the recovery from Members' salary or allowances of any amount outstanding after 22 February. All repayments will have had to be made—or firm arrangements to do so entered into—otherwise the recovery process will start after that date. The public can be confident that everything that should be paid

[Ms Harman]

back will be paid back, and I agree that today is an important step on the path to restoring public trust and confidence.

Dr. Julian Lewis (New Forest, East) (Con): I am sure that all hon. Members welcome that statement by the Leader of the House. May I ask her for another statement about participation in important debates and statements by the respective parties—and I do not mean just in Divisions? As a shadow Defence Minister, I have noticed that defence debates include plenty of Government and Opposition speakers, but no Liberal Democrats. Yesterday, in an important defence statement, only a single Liberal Democrat Back Bencher asked a question. What is going on, and should not people be getting better value for money from the Liberal Democrats?

Ms Harman: We are strongly committed to our armed forces and ensuring that their mission is clear, the numbers on the ground are sufficient, and that they have the kit and—*[Interruption.]*

Mr. Speaker: Order. The hon. Member for New Forest, East (Dr. Lewis) asked the question: he should listen to the answer.

Ms Harman: I suspect that this is one of those occasions when the hon. Gentleman feels that the question was rather more important than the answer. However, I shall press on with my answer. The Government remain strongly committed to our defence forces, but the question of Liberal Democrat contributions to the issue is a matter for them.

Jim Sheridan (Paisley and Renfrewshire, North) (Lab): May we have a debate on the valuable work carried out by the vast majority of Members? That work has been undermined by the recent comments by the Leader of the Opposition comparing Members of Parliament to ciphers. That may be his view of his Back Benchers, but I am sure that it is not my right hon. and learned Friend's view of the Benches she has the pleasure of leading.

Ms Harman: If that is indeed what the Leader of the Opposition said, it is a shame and I do not agree with him. However much I disagree with hon. Members, especially Opposition Members, I would not call them ciphers. It is for each and every one of us who is elected by constituents to come to this House to represent them, either in government or holding the Government to account, and it is up to all of us to do our work properly and support the work that the House does. Denigration of the House of Commons for party-political purposes is not the way to restore public trust and confidence in this institution.

Mr. Paul Burstow (Sutton and Cheam) (LD): May I draw the attention of the Leader of the House to early-day motion 626?

[That this House notes that the report of the National Audit Office (NAO) on dementia services found that there has not been a robust approach to implementation of the National Dementia Strategy; is concerned that the NAO concludes that the strategy has not been given the levers or urgency necessary; further notes that there is a lack of joined-up, well-informed commissioning necessary to redirect the resources needed to pay for new dementia services; regrets the lack of progress on basic training of healthcare professionals; and calls on the Government to put in place urgently the mechanisms needed to bring about the large-scale transformation of dementia services that are desperately needed.]

Yesterday a report was published by the Alzheimer's Research Trust that found that more than 820,000 people in this country are afflicted by dementia, with countless families also affected, and that the cost to the UK economy is now £23 billion a year. There is a compelling case for investment by both charities and the Government in dementia: may we have an early debate on that case to see when the Government will make this a national priority?

Ms Harman: We make time for debate on dementia, and services and support for the elderly, but I agree that we need to ensure that we put this specific issue on the agenda for debate. Dementia is one of the greatest challenges facing our society, and we fully recognise the importance of dementia research. By 2011, we will be investing more than ever—nearly £1.7 billion—in health research. We have received the report from the Alzheimer's Research Trust and will consider its findings, and of course a year ago we launched the first ever national dementia strategy, implementation of which is underway.

Mr. David Crausby (Bolton, North-East) (Lab): Given that my right hon. Friend the Secretary of State for Health refuses to answer my questions on Bolton primary care trust, when can the House have a debate on the accountability of PCTs?

Ms Harman: Obviously, PCTs operate within a national framework, but within that framework they are supposed to be accountable to local people to deliver high-quality and improving local health services. Perhaps I can suggest that I will arrange a meeting between a Health Minister, my hon. Friend and the chair and chief executive of the PCT. Nobody should be so dissatisfied with a situation that means that they cannot get the answers they need to questions about important PCT services for constituents. He has raised an issue about which he obviously feels strongly, and I think that we need to set up a meeting to sort it out.

Mr. Edward Leigh (Gainsborough) (Con): With regard to what the Leader of the House said earlier about the Equality Bill, she will know that concern was expressed in the other place that her amendments were so tightly drawn that they could have encompassed even the Archbishop of York, because he spends a lot of his time working in the community, not just proclaiming the liturgy. Being positive, and now that the Government are not overturning their defeats, can we take it that the Government now accept the principle that the Churches must be allowed to regulate their own clergy according to their own conscience?

Ms Harman: The hon. Gentleman is quite wrong. We never sought to, or indeed even unintentionally, propose non-discrimination laws covering bishops, rabbis, archbishops or priests. In the 2003 non-discrimination

employment regulations, we explicitly allowed for an exemption for those involved in religious ministry, so I am sorry that he has taken the opportunity to spread a misapprehension. There was never an intention—and nor is there an intention—to apply the provisions to those involved in religious ministry. However, if a church, synagogue or mosque is hiring a cleaner, bookkeeper or finance officer, it will have to comply with the normal, non-discrimination provisions of employment, like all others. I hope that, instead of spreading misapprehension, he will reassure those who raised that concern with him that it never was the Government's intention to make that change. The amendment simply clarified the difference between a religious and non-religious job, and whatever the criticisms of the drafting, which I do not accept, nobody could think that it would say that being Archbishop of Canterbury was not a religious job.

Mr. Lindsay Hoyle (Chorley) (Lab): My right hon. and learned Friend will want to hear about the good work of the Royal British Legion in Chorley, which raised more than £23,000 in the poppy appeal there. However, will she now give time to have a discussion on the Royal British Legion manifesto? This is important. We are coming up to an election, and I think that it would be a worthy topical debate.

Ms Harman: I congratulate the Royal British Legion in Chorley, which is an organisation that my hon. Friend, as a Member of Parliament, strongly supports, and I will look for an opportunity to raise issues involving the Royal British Legion.

Sir Nicholas Winterton (Macclesfield) (Con): I shall not be back on 12 May, so will the Leader of the House do me a favour and give me an assurance that, as part of the debate on the reform of the House of Commons, she will negotiate with the Opposition parties about introducing a procedure preventing major parts of legislation from going from this House to the House of Lords without being debated here? That would be one way in which to restore people's confidence in the House and its responsibilities.

Ms Harman: Perhaps the hon. Gentleman should ask his Front-Bench colleagues whether they actually want those sorts of issues dealt with in the way that the Wright Committee suggests. We have to ensure that the Government, having produced a manifesto and been elected on the basis of promises made in it, can get their business through. Obviously, everyone wants provisions to be properly debated, and that depends also on everybody in the House ensuring that they limit their speeches and stick to the point, and then the business of scrutiny can be got through.

Mr. Andrew Pelling (Croydon, Central) (Ind): Would it be possible for the Leader of the House to provide for a debate on recognising the achievements of military men and women and on the support that they can expect on leaving Her Majesty's armed forces? Such a debate would allow me to mention Michael Lyons of the New Addington Royal British Legion, who has campaigned for repairing school memorials, and for seeking out and securing the repair of the gravestones of servicemen who won the Victoria cross. I would also like to emphasise the great flexibility of Mayday hospital and the NHS in working to provide a centre for returning soldiers suffering from combat stress.

Ms Harman: Like my hon. Friend the Member for Chorley (Mr. Hoyle), the hon. Gentleman strongly supports his local Royal British Legion, and I commend the work that he has told the House about and which Mr. Lyons is doing in his constituency. Obviously, those in the armed forces regard their work as very rewarding, but we all recognise that it requires selfless duty and places many restrictions on the lives not only of our service personnel, which they willingly accept, but of their families. As he will know, the Ministry of Defence has produced a Command Paper setting out our commitment to our armed forces, their families and veterans. That is a cross-Government initiative. Furthermore, he mentioned stress and mental health issues. There are six ongoing mental health pilots within the NHS and throughout the country, and they will continue and be evaluated.

Mr. Keith Simpson (Mid-Norfolk) (Con): We understand that the Secretary of State for Communities and Local Government intends to make an announcement just before the half-term recess about his decision on which unitary authorities can be established in Norfolk, Suffolk and Devon. May I urge upon the Leader of the House that a written statement at that stage is totally unacceptable? The Secretary of State should come to the House and explain it in an oral statement. Colleagues on both sides of the House feel strongly about the matter, and as she is probably aware, there has been a series of judicial challenges to the decisions made so far.

Ms Harman: Obviously accountability on such issues is very important, whether through written or oral statements. I shall undertake the hon. Gentleman's request to discuss the matter with the Secretary of State and make absolutely sure that the right level of accountability will operate.

Mr. Rob Wilson (Reading, East) (Con): Given that the right hon. and learned Lady clearly believes in its continued importance and relevance in today's world, may we have a debate in Government time on papal infallibility?

Ms Harman: That is not a matter for the House. What are matters for the House are public policy and legislative scrutiny, and what is a matter for the Government is to ensure that, although we respect the fact that some areas of religion must be subject to the control and decisions of those religions, for the rest, religious organisations, like everyone else, obey the law.

Mr. Angus MacNeil (Na h-Eileanan an Iar) (SNP): If the Prime Minister is advocating a referendum on changing the voting system to the House, why is he going to restrict the public to two narrow choices? Why not put all options on the table, including the single transferable vote, and let the people decide? May we have a full debate?

Ms Harman: I think that there will be a debate on day six of the Committee stage of the Constitutional Reform and Governance Bill, when the relevant amendments will come before the House.

Mr. Ian Liddell-Grainger (Bridgwater) (Con): The Leader of the House was very helpful a few weeks ago when I asked about Indians having temporary work permits to work in the Avon and Somerset police authority. She sensibly suggested that I ask parliamentary questions, which I did, but I was told that the information would be too expensive to get. On the back of the security implications of people's data being seen by foreign nationals, may we have Government time to discuss what is an important issue not just in Avon and Somerset, but—I am told—across the United Kingdom?

Ms Harman: I will follow up the hon. Gentleman's point. What is presumably being said is that providing the answer to the questions would incur disproportionate cost, but there is also an issue about the proportionate importance of these matters, so I will look at the questions and see whether we can assist him in getting them answered.

Mr. Peter Bone (Wellingborough) (Con): I asked the Chancellor of the Exchequer a named day question about net contributions to the EU over the past three years. I got a holding answer, and I then got a rather bizarre answer addressed to the right hon. Member for Wellingborough. [HON. MEMBERS: "Hear, hear!"] More importantly, it did not answer my question; it simply referred to a footnote in a table, so nobody could actually see the answer. Will the Deputy Prime Minister, who does not do devious, summon the Chancellor to her office, discipline him, and report back next week that she has done so?

Ms Harman: Sometimes, the Treasury has to do complicated, and I think that that might be what has happened in this case. However, I think that referring hon. Members to footnotes that refer to other footnotes, which refer to tables in documents that are not readily to hand, is not the way to provide full and open accountability. I know that the Treasury wants to be fully and openly accountable about this country's contributions to Europe, against the background that working with Europe is important in regard not only to security and climate change but to the economy. I will therefore ensure that the hon. Gentleman gets a full answer.

Mr. Philip Hollobone (Kettering) (Con): May I be straightforward and understandable? May we have a debate on the Floor of the House in Government time on the loss of national identity? In the week in which the Townswomen's Guild published the results of a survey of its 34,000 members which showed that over 95 per cent. were concerned that Britain was losing its national identity as a result of the scale of mass immigration that the country is currently having to put up with, it is important that politicians in this place should be seen to be discussing the issue.

Ms Harman: Indeed. Those same points were made against the background of Irish immigration. They were also made in respect of Jewish immigration, and of those immigrants who came here from the Caribbean, particularly to work on London transport and in our health services. This country has great traditions from those who have been here for generations, and it has become great on the back of the work of many successive waves of immigrants over the centuries and in the past decades. It is important to ensure that we recognise the contributions of immigrants, and that we have a fair society in which everyone feels that they get a fair crack of the whip.

Mr. Mark Harper (Forest of Dean) (Con): I want to take the Leader of the House back to the point raised by my right hon. Friend the Member for North-West Hampshire (Sir George Young) about terrorist asset freezing. Given that the Government had ample warning of the potential loophole in the law but took no steps to plug it, and given the amount of time that will have elapsed before it is eventually plugged, how much money belonging to terrorists or terrorist organisations does she think will be left in the country to be captured by the retrospective legislation that she is introducing next week?

Ms Harman: Obviously, work was under way in the Treasury to ensure that contingency plans would be in place to bring forward arrangements, should the Court not allow a stay of execution of its judgment. I am sure that the hon. Gentleman will agree that it would have been odd for the Government to introduce legislative provisions to deal with a situation that had not yet been decided on in the Supreme Court. Planning and preparation have been under way, and now that the Court has made its decision, which it did yesterday, we have told the House how we are going to deal with this matter. We are going to publish to the House the specific provisions; we are going to publish the Bill tomorrow, and on Monday it will complete all its stages in this House. It will be clear that it will be retrospective. The answer to the hon. Gentleman's question is none.

Point of Order

12.54 pm

Mr. Mark Harper (Forest of Dean) (Con): On a point of order, Madam Deputy Speaker. In business questions, my right hon. Friend the Member for North-West Hampshire (Sir George Young) raised the scandal of the 12,000 disabled students who are waiting for grants. Those students have been failed by the Student Loans Company. That story raises the issue of accountability to the House. That information was gathered by my hon. Friend the Member for Havant (Mr. Willetts) by way of a freedom of information request to the Student Loans Company. The same requests were made through a number of parliamentary questions that I tabled to the Department for Business, Innovation and Skills in December. Unfortunately, those questions remain unanswered. This morning, my office spoke to the office of the Minister of State, the right hon. Member for Wolverhampton, South-East (Mr. McFadden). Following that, and my giving notice that I was going to raise this point of order, I have now been told that those questions will be answered today. Is it not outrageous that, while answers can be obtained as a result of freedom of information requests, parliamentary questions on the same topic can remain unanswered for nearly two months? What can be done to ensure that this gross discourtesy to the House does not recur?

Madam Deputy Speaker (Sylvia Heal): The hon. Gentleman has placed his remarks on record, and they will clearly be read by those concerned. The Speaker and the other occupants of the Chair have a responsibility for what happens in Parliament, and Ministers' responses. The hon. Gentleman's comments will have been noted.

Crime and Security Bill (Ways and Means)

Motion made, and Question proposed,

That, for the purposes of any Act resulting from the Crime and Security Bill, it is expedient to authorise—

(1) the imposition of charges in respect of the cost of adjudications of appeals relating to vehicle immobilisation and release; and

(2) the payment of sums into the Consolidated Fund.—*(Mr. Timms.)*

12.56 pm

The Parliamentary Under-Secretary of State for Justice (Claire Ward): Hon. Members will recall that the House agreed a money resolution in respect of the Crime and Security Bill after its Second Reading on 18 January. Since then, the Government have tabled amendments to the Bill to establish a compensation scheme for victims of overseas terrorism, and to provide for a scheme to be set up so that motorists can appeal to an independent tribunal or adjudicator in respect of release charges when their vehicle has been clamped. Both these matters need to be covered by a Ways and Means resolution before the amendments can be considered in the Public Bill Committee. I commend the resolution to the House.

12.56 pm

Andrew Rosindell (Romford) (Con): I am most grateful to the Minister for outlining the purpose of today's brief Ways and Means debate on the Crime and Security Bill. Certain financial implications will flow from some of the necessary measures in the Bill, however, and I am concerned that the Government appear not to have thought through the process involved from day one.

Mr. Peter Bone (Wellingborough) (Con): Was not my hon. Friend amazed by the speed with which the Minister introduced this resolution, without giving any proper information or figures?

Andrew Rosindell: Yes, that was rather surprising, and I hope that she will come back at the end of the debate and address the whole range of questions to which the public need an answer. The provisions have major positive implications for those whose vehicles are clamped by cowboy clampers, but they also have financial implications for Government expenditure, as well as raising questions about any legal fees that might flow from them and about what the public might have to pay. There is also a possibility of local authorities having to spend money in this respect. These issues really need explanation, and I am surprised that the Minister has brushed them all aside and failed to address them at the start of this important discussion.

Mr. Lee Scott (Ilford, North) (Con): This is a well-meaning law that will, without question, benefit people. I want to see an end to these cowboy clampers charging exorbitant amounts to people who, in many cases, have not parked illegally. Does my hon. Friend agree, however, that the correct funding must be given to local government, rather than expecting it to come from its existing budgets? Otherwise, the pressures on local government would just be too much to bear.

Andrew Rosindell: My hon. Friend makes an extremely valid point. Having served on a local authority myself, I know how easy it is for Governments to bring in new laws and regulations that impose financial obligations

[Andrew Rosindell]

on local government without considering their impact on local government costs or any increase in council tax that might result. I hope that the Minister will explain herself at the end of this debate so that we can all understand the issue and explain to our local councillors and our constituents how this will be implemented, particularly the cost implications, along with the practicalities.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): I share my colleague's concern at the paucity of the Minister's comments. This is an important issue. In talking about charges, it is obviously important to explain what sort of charges will be involved. Will it cover full legal costs; will there be a scale rate; will there be fixed costs, and so on? I have to say that the paucity of comments from the Minister is somewhat breathtaking.

Andrew Rosindell: My hon. Friend emphasises the point. I have no doubt that when I have concluded my remarks—I have many points to make—the Minister will take the opportunity to explain herself and explain the Government's rather haphazard way of dealing with this matter, so that we can decide whether it is appropriate for the House to approve this motion today.

Of course, Her Majesty's Opposition welcome the provisions in the Crime and Security Bill to license businesses that engage in vehicle immobilisation. This change to the law is, I believe, long overdue, and I have no doubt that this will come as good news to motorists up and down the land, who are heartily fed up with being stung by cowboy clampers who charge exorbitant sums of money to all our constituents when they unwittingly park on private land, not realising the extent to which they could be fined. This, of course, has financial implications for the Government, for local authorities and, most importantly, for the constituents we are elected to represent. The Minister will need to answer these points.

I am sure that hon. Members from all parties will recall many examples of situations like this in their own constituencies. I certainly do. I have been contacted many times by constituents who have been clamped and fined huge sums of money. Their vehicles are immobilised and this can lead—

Madam Deputy Speaker (Sylvia Heal): Order. The hon. Member may be straying rather wide of the motion, which is quite a narrow one. Will he now confine his remarks to the motion currently before the House?

Andrew Rosindell: I will certainly endeavour to do so, but the points I am making have implications for the costs at local level. Until I can explain my arguments to the Minister, it is hard to see how she will be able to respond in a meaningful way.

Madam Deputy Speaker: Let me remind the hon. Member of the purpose of the motion. I am sure that he is aware of it. We understand the background, so he should concentrate his remarks on the motion set out on the Order Paper.

Andrew Rosindell: Thank you, Madam Deputy Speaker. The motion on the Order Paper seeks to authorise "the imposition of charges", and I would like to focus on the word "imposition". Why has the Minister not explained how these charges are to be imposed? Who will administer this measure? Will the Government make adequate provision to ensure that it is done in a practical and meaningful way that will work? I would be most grateful if the Minister would outline the cost implications in greater detail. What overall costs for the appeals process are envisaged? What assessment have the Government made of how many people are likely to use this service? How much would each appeal cost on average? These are important questions that simply must be answered.

Mr. Vara: I think it is important to establish at this early stage whether the Minister intends to come back to the House and answer some of the very important questions that have been raised. The word "charges" is very broad and very vague, so I wonder whether my hon. Friend will be able to tempt the Minister to come back and give an assurance that she will make a substantive response as to what sort of charges are proposed.

Andrew Rosindell: I think my hon. Friend makes a valid point. I hope that the Minister has got the message at this stage—that those present in the House today feel that more detail should be given. How can we, as the House of Commons, make a judgment when so little information has been provided? I understand that the basis of the motion is financial, but to assess whether any financial motion should be approved, we need to understand how it will work in practice. The Minister will take the opportunity, I hope, to answer these questions and allay the concerns that many of our constituents may have.

May I also ask the Minister how much will be paid into the Consolidated Fund? How does she expect to recoup any of these costs? This involves taxpayers' money, so we need to know the answer to that question. Who, indeed, would pay the legal fees of those clamped but found innocent? Where would the money to deal with all of this come from?

Mr. Vara: Does my hon. Friend agree that it is very important to have clarification of the payment of fees? Will the charges apply to the separate parties or will they also include payment of the adjudicator and the adjudication process, which will have incurred some costs? Is this to be a system under which costs will be paid between the parties alone and what will the rates be? For example, if legal advice is provided, will all the attendant costs be covered or will there be a scale-based rate? It is highly important to clarify whether or not adjudication fees will be paid. Again, will they be paid at the proper cost rate or will there be fixed charges and a scale rate?

Andrew Rosindell: Once again, my hon. Friend makes extremely valid points about how this whole system will work, what charges will be imposed, who will pay the bills for the adjudicators and the legal costs when things go wrong and how the system will operate in practice. We are being asked to approve the financial implementation without being given the full details of how the whole system will work in practice.

Will the Minister clarify whether there are any financial implications for local authorities? Will the same rules apply to private operators as to local councils that are

responsible for parking enforcement on the public highways? Will she also explain how the system will work without a code of practice? Her Majesty's Opposition agree that there is a need for adjudication—

Madam Deputy Speaker: Order. I apologise for interrupting the hon. Member again, but I repeat that he is going wide of the motion. Let me re-emphasise that the motion is very narrow. I understand his concerns, but I am afraid that it is not appropriate to raise them in this debate.

Andrew Rosindell: Thank you for that clarification, Madam Deputy Speaker. I think we are all looking forward to the Minister answering these questions, as only the Minister can reveal what is behind this motion. I look forward to finding that out.

Finally, will the Bill's provisions that apply to wheel-clamping on private land also apply to ticketing, because financial implications are equally evident there? Will the appeals process be applicable to parking tickets as well? The financial implications need to be explained.

Madam Deputy Speaker: Order. I am afraid that the hon. Member has gone wide of the remit once again.

Andrew Rosindell: Thank you, Madam Deputy Speaker. I think that anyone watching this debate will wonder why it is that we cannot get to the nub of these questions. I understand the procedures of the House, Madam Deputy Speaker, but the problem is wholly due to the lack of a proper explanation by the Minister at the start of this debate.

Madam Deputy Speaker: Order. All I have to say to the hon. Member is that although people listening to the debate may not be aware of how narrow the motion is, Members present for the debate should be aware of that—and most are. That is why we are so restricted.

Andrew Rosindell: Thank you. I give way to my hon. Friend.

Mr. Vara: I fully appreciate the narrowness of the motion, Madam Deputy Speaker, but I trust that the House will appreciate the vastness of its implications. What we are trying to ascertain from the Minister are the precise details of a measure that will have a huge impact. Does my hon. Friend agree that, given the vastness of its consequences, one of the questions that the Minister must answer is "What are the Government trying to hide with the sparseness of their comments?"

Andrew Rosindell: We are still waiting with bated breath to hear what the Minister will have to say. I am baffled—we are all baffled—as to what the Government are trying to achieve, because we have not been given a proper explanation. Perhaps this constitutes a lesson: if the Government wish to table a motion of this sort, they should at least explain what they are doing.

Mr. Bone: I think my hon. Friend is about to end his speech, but I should say at this point that I am in a dilemma. If the House divides, I shall not be sure how to vote, because I have not heard the Government's argument. Has my hon. Friend any advice for me?

Andrew Rosindell: That is a good question. We shall have to see what the Minister's explanation is before the House decides whether or not to divide. I hope that she will come clean and reveal everything. I should of course have preferred a more reasonable discussion enabling our constituents who are watching the debate to understand the purpose of the motion, but no doubt the Minister will now explain the background so that we can understand a little better.

Important details are hidden behind the motion. The whole issue of wheel-clamping is of great concern to our constituents, and we want financial provision to be made to ensure that the Bill will work effectively. We are all fed up with cowboy clampers. I assure you, Madam Deputy Speaker, that Her Majesty's Opposition will do all that they can to support any sensible measure, practical or financial, to ensure that there is an end to cowboy clamping in our constituencies.

1.11 pm

Mr. David Heath (Somerton and Frome) (LD): What a meal the hon. Member for Romford (Andrew Rosindell) has made of the Ways and Means motion. Having said that, however, I should like to make a couple of brief procedural points.

Let me say first that the motion is before us because—yet again—substantial new parts of the Bill were introduced in Committee. Given that this is one of the criminal justice Bills with which we deal every year, it was to be hoped that Ministers would think a little about what they wanted to be in it before publishing it. The motion is before us because they did not, and they have now decided to add a couple of provisions. I do not know the merits of the provisions. I suspect that they are a very good idea—I should certainly like to see proper control of clampers and proper compensation for overseas victims of terrorism—but they should have been in the Bill from the start.

My second procedural point concerns the timing of the motion. The matters involved are still before the Committee, which has yet to report to the House. It is always helpful for the House to be aware of what has been determined in Committee, and, before Report, to deal with the appropriate Ways and Means motion in order to authorise expenditure that is at present entirely hypothetical, because it is based on consideration in Committee of matters that the House as a whole has not yet had an opportunity to discuss.

A Ways and Means motion is not the occasion on which to judge the merits of proposals such as this, far less to ask for details of the operation of a scheme. A Committee stage is the occasion on which that should be done, and the Report stage—if we reach it—will provide an opportunity for Members to have their say and for Ministers to explain the consequences of their proposals.

As you pointed out, Madam Deputy Speaker, this is a very narrow motion whose purpose is to authorise payments if, and only if, the proposals are found to be satisfactory on Report, pass through another place and receive Royal Assent. There is a scrutiny process and we do need to examine the details, but this is not the right time to do that. I have my doubts about the procedure as currently constituted. I do not think that even the

[Mr. David Heath]

limited consideration that we can give the proposals during the debate makes this an appropriate time to examine them.

1.14 pm

Mr. Peter Bone (Wellingborough) (Con): It is a great pleasure to follow the hon. Member for Somerton and Frome (Mr. Heath). I entirely agree with what he said about the procedure. I think it is generally accepted that dealing with money motions is one of the things that Parliament does very badly. The question of how we spend money is not debated properly. I recall, Madam Deputy Speaker, that you were in the Chair when I was trying not to deviate from the terms of a Ways and Means motion when we discussed spending £40 billion in one and a half hours.

I had no intention of speaking today, but I was interested to see what the business was. I have the utmost regard for the Minister, but we are discussing spending money, and she has not told us how much is to be spent. If she had told us that it was £50,000 or £5 million—

Mr. Heath: She does not know. We have not made the law yet.

Mr. Bone: That is one of the reasons why I am a little concerned about the timing.

Mr. Vara: Will my hon. Friend give way?

Mr. Bone: Briefly.

Mr. Vara: I am grateful. Given the financial state of the country, does my hon. Friend agree that it is particularly relevant for a motion of this kind to refer to money, and to specific amounts?

Mr. Bone: I disagree. I think that Ways and Means motions should always be debated in full. The spending of money is a very important aspect, but I do not think that the fact that we are in a financial mess of unique magnitude makes any difference to the fact that we should always discuss ways and means. However, I do not know how we are to do that without having been given even an estimate of the amount involved, and without knowing whether the Minister is going to tell us more. Perhaps little notes are being passed to her; I do not know.

I do not want to detain the House for long, but I am trying to make a serious point. We know about the principle, which was a matter for the Committee and will be decided on Report. However, we debate Ways and Means motions very rarely. We normally nod them through, saying, "Oh yes, it is all right to spend that amount of money." That is where our Parliament fails and the American House of Representatives, for instance, succeeds.

Given the furore that is undoubtedly going on outside this place today about the importance of Parliament, it is sad that, yet again, the Government have in a sense taken Parliament for granted, and have not given us more detail on a specific Ways and Means motion. The merits of the issue are not important; what is important is how much we are, or are not, going to spend. When I decide how to vote, or whether to divide the House, I want to be in a position to know that. I have a feeling that if the Minister does not tell us, the Division Bells will ring.

1.17 pm

Dr. John Pugh (Southport) (LD): I had not intended to speak either. The other day, however, I received a letter from the Minister about a constituent who has failed to secure compensation as a victim of terrorism, although the Minister acknowledged that he had indeed been a victim of terrorism. Let me say a little about the case, very briefly and, I hope, sticking to the point—

Madam Deputy Speaker: Order. The hon. Gentleman has been in the Chamber when I have drawn attention to the narrowness of the motion and the debate. I understand his concern for his constituent, but I have a feeling that this is not the appropriate time to raise that case.

Dr. Pugh: The point that I wish to raise is slightly procedural, and is also concerned with Government inconsistency. My constituent has been acknowledged by the Minister to be a victim of terrorism, but the Foreign Office has never acknowledged that. He has campaigned—

Madam Deputy Speaker: Order. I am afraid that I must rule the hon. Gentleman out of order. This is a Ways and Means motion. The hon. Gentleman may well have a case on behalf of his constituent that requires answering, but I regret to tell him that this is not the time or the place at which to raise it.

1.18 pm

Claire Ward: With the leave of the House, Madam Deputy Speaker, I should like to respond to the ingenuity of the hon. Member for Romford (Andrew Rosindell) in managing to extend the areas covered by the resolution in order to question many substantive areas of the legislation itself.

We are dealing with a Ways and Means motion, not a money motion. The motion that we are discussing is not, therefore, about the cost of the provisions, but about the charges and payments into the Consolidated Fund.

Mr. Vara: Will the Minister give way?

Claire Ward: I am well aware that the hon. Gentleman is seeking to ensure that there are opportunities to do other things around the House this afternoon, so I shall co-operate completely and give way to him.

Mr. Vara: I am most grateful to the Minister for giving way. She said the motion has little to do with cost, but may I remind her that it refers to

"charges in respect of the cost of adjudications"?

As she said earlier that this has everything to do with charges and little to do with costs, I would be grateful for some clarification.

Claire Ward: It is not to do with costs; it is about charges and payments in relation to the Consolidated Fund.

May I now be allowed to try to answer some of the specific issues that have been raised? Questions were asked about the details and the costs and charges of this scheme in respect of wheel-clamping. They will be discussed in Committee.

Mr. Vara: The Minister has said there will be a consultation. Can she assure the House that it will not be the usual type of Government consultation, which is a sop to public opinion with decisions already having been made but a consultation taking place for the sake of it? Will she give an assurance that genuine consultation will take place, and that the views of those consulted will be taken into account before decisions are made?

Claire Ward: The hon. Gentleman should know that the Government always take into account the views expressed in consultations before coming to a view.

The Private Security Industry Act 2001 places a requirement on individual vehicle immobilisers who operate on private land—questions were asked about the impact on local authorities, but this applies not to local authority land, but to private land—carrying out the clamping of vehicles and the associated activities of towing or impounding. They must hold a licence issued by the Security Industry Authority if they charge a release fee.

Andrew Rosindell: I fully appreciate that the Bill does not apply to local authorities and their land, but does the Minister not accept that it is bound to have a financial impact on local authorities, because the public always go to the local council when there is a parking problem? Even when that takes place on private land, they still go to the council, so this will still have an impact on local authority spending.

Claire Ward: The hon. Gentleman is straying into rather more substantive issues to do with the Bill more generally, and they will, of course, be dealt with in Committee. This measure refers specifically to private land, and the action people might take and who they might approach if their vehicle has been clamped cannot be addressed in respect of it.

Mr. Bone: The excellent Minister is being most helpful, but I must be being extremely thick today. If this is a Ways and Means motion, there must be an estimate of the money, because if there is not, why are we here? I shall need to be told that figure before making up my mind as to whether we should have a Division.

Claire Ward: Well, the hon. Gentleman must decide whether he wishes to call a Division, and thereby take a step that his constituents—or mine, for that matter—might decide was simply challenging the substantive issue itself and seeking not to allow the usual procedures to take place that would ensure this important measure makes progress through the House. That is a decision for him. I have said to him that questions of charges and fees will be considered, to some extent, in Committee, and also in consultation. I can only reiterate that this is a Ways and Means motion and that therefore it is about not the cost of provisions or the finer detail, but the charges and payments.

Andrew Rosindell *rose—*

Claire Ward: I shall give way again, but perhaps the hon. Gentleman will then allow me to answer one or two of the points that he made.

Andrew Rosindell: I certainly will. The Minister is doing an excellent job in trying to persuade the House not to call a Division on this matter, but does she accept that there is so much concern in the House today because of both the poor explanation at the beginning of the debate and the muddled way in which the Government have handled our discussion and the issue of introducing further motions? There will be another Ways and Means motion in respect of this Bill next week. It seems to me that the whole Bill is more about the forthcoming election than actually achieving results for the British people.

Claire Ward: I can assure the hon. Gentleman that these are important matters, which is why the Government are responding to the views that have been expressed to us by bringing forward these measures. In respect of the resolution that is required for the overseas victims of terrorism scheme, that is a complicated scheme and given that it has been a difficult task, I believe the Government have done all we possibly can to ensure that we bring forward this legislation as soon as possible and in the most appropriate fashion.

Clause 39 of the Bill amends the 2001 Act to provide for vehicle immobilisation businesses to require a licence issued by the SIA in order to carry out these activities. Regulations will specify the conditions that businesses will have to meet in order to qualify for a licence. These will include maximum release charges and other rules governing clamping, towing and impounding.

A Government amendment to the Bill provides for a scheme to be set up so that motorists can appeal to an independent tribunal or adjudicator in respect of release charges. Appeals can be on either the principle of the charge—for example, if the signs were inadequate—or the amount charged, if it exceeds the maximum to be set. The detail of the appeal arrangements and rules will be set out in regulations to be made for the purpose.

The appeal scheme will be funded largely by the vehicle immobilisation industry. The fixed costs of running an appeals system would be met by businesses as part of their business licence fee. It is proposed that vehicle immobilisation businesses will also pay a set sum in respect of the total variable running costs of adjudications, covering costs such as the adjudicator's time and the costs of accommodation for hearings.

Mr. Vara: The Minister said that the costs are being paid "largely" by one body. Which other bodies or groups will be making up the difference?

Claire Ward: The full details of the costs of the scheme will be considered in Committee. Let me simply say today that we are making provision through the Ways and Means motion to ensure that this procedure can be debated thoroughly in Committee.

[Claire Ward]

Businesses will only pay the sum to which I have just referred when they lose an appeal. As a result, the payment will reflect the variable costs of all adjudications. It is also intended that the motorist will be required to pay a modest fee for each appeal made, irrespective of whether that appeal succeeds. The intention is not to burden appellants unduly, but to discourage speculative appeals without foundation.

Since the payment made by losing companies will contribute to covering the costs of other cases where the vehicle immobilisation business has won the appeal, and it will be based on averaging out the costs over all appeal cases, there is an element of cross-subsidy. The Home Office believes that this is the fairest approach; the bulk of the overall cost is met by those companies that lose appeals, but a modest fee will discourage motorists from speculative appeals. In general, a Ways and Means resolution is needed if people are required to pay out money other than for a service or other benefit that they are receiving fairly directly.

The House will be aware that my right hon. Friend the Home Secretary announced on Second Reading that we would table amendments to the Bill to provide for the establishment of a victims of overseas terrorism compensation scheme. As with the legislation governing the domestic criminal injuries compensation scheme, the amendments to the Bill include provision for compensation to be repayable in circumstances specified in the scheme. The criminal injuries compensation scheme of 2008 provides for compensation to be repaid where the beneficiary subsequently receives a payment in respect of the same injury from another source—for example, following a civil claim for damages. We envisage that the overseas terrorism compensation scheme will include a similar provision. As with the domestic scheme, new clause 14 tabled to the Bill provides for any such repayments to be paid into the Consolidated Fund. Provisions in legislation about the use of receipts must be authorised by a Ways and Means resolution, hence the second paragraph of the motion before the House today.

We have had an extensive debate—

Mr. Bone *rose—*

Claire Ward: But clearly not extensive enough, and as there is still time left that the hon. Gentleman wishes to ensure is available to him, I am more than happy to give way.

Mr. Bone: I am very grateful to the Minister, who is being extremely generous in giving way. She is winning me over, I have to say. I grasped the point on the issues relating to vehicles—slowly—and I am with her on that. However, the terrorism issue is not mentioned in the motion as such. If we could have a little more explanation of that, she might win me over.

Madam Deputy Speaker: Order. I am afraid I must intervene ahead of the Minister and say that that is wide of the motion.

Claire Ward: Thank you, Madam Deputy Speaker, for your guidance. I am not sure there was much more I could have added without getting into a debate on the substantive nature of the amendments, and I am sure that Members will want to have that opportunity in Committee or when the Bill returns to this House.

This is an important motion that has been debated more than thoroughly by the House today. The right place to debate matters of detail, of course, is in the Public Bill Committee, where there will be an opportunity for its members to discuss the amendments. I hope the House will give its full support to the Ways and Means motion today, and I commend it to the House.

Question put and agreed to.

Corporation Tax Bill

Motion made, and Question put forthwith (Standing Order No. 60(8)),

That the Committee of the whole House be discharged from considering the Bill.—*(Mr. Timms.)*

Question agreed to.

Third Reading

1.34 pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): I beg to move, That the Bill be now read the Third time.

I am pleased to open this Third Reading debate on the Corporation Tax Bill, and delighted to be debating once again with the hon. Members for South-West Hertfordshire (Mr. Gauke) and for Stockport—

Dr. John Pugh (Southport) (LD): Southport.

Mr. Timms: Indeed; that is not the first time that I have made that mistake. The three of us took part in a rather different discussion yesterday.

This Bill rewrites a range of corporation tax provisions, including provisions about the computation of profits, small profits relief, losses, group relief and distributions. It also rewrites some provisions that are more specialised—for example, those related to UK real estate investment trusts and others related to avoidance.

The Bill has been produced by Her Majesty's Revenue and Customs' tax law rewrite project and continues the project's work to modernise direct tax legislation so that it is clearer and easier to use. Last year, the project completed the first part of the task of rewriting corporation tax when the Corporation Tax Act 2009 was enacted. This Bill completes that work and means that, substantially, the whole of the legislation relating to corporation tax will have been rewritten.

Let me remind the House about the work of the tax law rewrite project. It was set up in 1996 by the then Chancellor—the current shadow Business Secretary—following a defeat for the then Government in the Finance Bill Committee, of which I was a member, on an amendment moved by the then hon. Member for Beaconsfield, Tim Smith. The project has, on the whole, continued to enjoy support from across the House since its establishment. Its principal aim is that the rewritten legislation should be far more accessible to users than the source legislation, some of which is dense and difficult to follow. Its success has been widely acknowledged and confirmed by independent market research.

To date, the project has rewritten the capital allowances and income tax legislation, and completed the first part of the task of rewriting corporation tax legislation. This Bill is the sixth produced by the project. The project takes great care to ensure that the legislation's effect is essentially unchanged by rewriting, but it can make minor changes in the law where they improve the legislation—for example, to remove ambiguity, to repeal obsolete provisions or to correct minor, unintended anomalies. There are 66 such changes set out in the explanatory notes to this Bill. Major changes will always be matters for a Finance Bill. All proposed changes in the law are considered by both the project's committees, and no minor changes are included in the Bill without the approval of both.

The work would have been impossible without considerable input from tax specialists and others, and I express particular thanks to them and to the members of the project's consultative committee, chaired by Miss Robina Dyall, who have ensured that the consultation has been detailed and thorough. The consultative committee includes representatives of small and large businesses, accountants, lawyers and other tax specialists. The time and commitment they have all invested are greatly appreciated.

The strategy of the project is set by its steering committee, chaired by the noble Lord Newton of Braintree, which includes Members from both Houses of Parliament and members of the judiciary, of business and consumer groups and of the accountancy and legal professions. I am particularly grateful to Lord Newton, who took over from the noble Lord Howe, for his commitment and guidance, and to the members of his committee.

The Joint Committee of both Houses, of which I was a member, chaired by the hon. Member for Chichester (Mr. Tyrie), considered the Bill on 11 January and noted the extensive consultation process to which it had been exposed. It paid close attention to the reasons for rewriting recently enacted legislation, the impact of the rewrite changes proposed in the Bill, and the powers in the Bill to amend the legislation. It also considered all the amendments to the Bill. The Joint Committee concluded that the Bill is a welcome clarification of the existing law, which, as a result, will be easier to use and more accessible. The Committee was satisfied that the changes to the law were of very minor significance and it accepted the amendments, all of which were technical.

This Bill is the second of two Bills that rewrite corporation tax legislation. Some of the corporation tax rules in it originally applied to both income tax and corporation tax, but as the tax law rewrite project's previous Acts provided a separate set of provisions for income tax, the income tax provisions have been in the rewrite style, whereas the corresponding corporation tax provisions remained in the original form. The Bill finishes the process of bringing the drafting of corporation tax back into line with that for income tax where the provisions share the same source legislation.

The Bill is a worthwhile contribution to modernising direct tax legislation, making it clearer and easier to use, and it maintains the project's excellent record in improving current legislation and has been welcomed by those who use it. I am very grateful for the support that has been shown across the House throughout this exercise, and I commend the Bill to the House.

1.40 pm

Mr. David Gauke (South-West Hertfordshire) (Con): It is pleasure to speak on Third Reading. This is very nearly the end of the process—we have another Bill to discuss this afternoon—but it is a good opportunity for us to thank those who have been involved in it over the past 14 years. As the Minister said, it all began in 1996 when my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), the then Chancellor of the Exchequer, set up the tax law rewrite project. He went on to Chair the Joint Committee on Tax Law

[Mr. David Gauke]

Rewrite Bills. Those are two of the many contributions—both past and future—that he will have made to public life.

By the time a tax Bill reaches its Third Reading, an Opposition Front Bencher has usually devoted what feels like weeks of their life to addressing the matter. The tax law rewrite project process is unusual, in that an Opposition Front Bencher's involvement tends to be on Second Reading and Third Reading. The Minister has a slightly greater role as a member of the Committee, but I am sure that he would be the first to accept that it is not quite as demanding upon his time as a Finance Bill would normally be.

None the less, for many people this has been the most enormous project, and one should pay tribute to those who have been involved in it: the independent steering committee, which is chaired by Lord Newton and, as the Minister said, was previously chaired by Lord Howe of Aberavon, who has had a long-term interest in the making of tax law; Members of both Houses who have been part of the Joint Committee; members of the judiciary, and of the legal and accounting professions; and business and consumer groups. I particularly wish to thank my hon. Friend the Member for Chichester (Mr. Tyrie) for his service as Chair of the Joint Committee. In its report, which I read through, he acknowledged that he was new to the process, but he handled the proceedings with the skill that one would expect of him.

I also wish to thank the consultative committee, which consisted of members of the main tax and business representative bodies, and the many consultees involved in the process, both in the professional organisations and businesses, and in Her Majesty's Revenue and Customs. They responded to the project by devoting a great deal of their time to it, without any compensation as such, and they played an important role in developing this law.

Of course I also wish to thank the tax law rewrite project team for all its efforts over many years in developing this legislation. The first bit of legislation was the Capital Allowances Act 2001. It was followed by three Acts relating to income tax: the Income Tax (Earnings and Pensions) Act 2003, ITEPA; the Income Tax (Trading and Other Income) Act 2005, ITTOIA; and the more simply-named Income Tax Act 2007. In this context, one should also mention the Income Tax (Pay As You Earn) Regulations 2003. The legislation on corporation tax is: the Corporation Tax Act 2009, this Bill and the Taxation (International and Other Provisions) Bill, which we will debate subsequently.

I have set out my thanks to all those involved in the process; the level of professionalism has been very high. I now wish to raise a query that the Minister will anticipate, and it is not, in any way, meant to take away from anything done by those who have been involved in the process. Does the process go far enough? It has required a great deal of expertise, it has placed great demands upon the consultees and it has cost £37 million, which is not an insignificant sum.

It is worth citing the remarks made by John Whiting, the tax policy director of the Chartered Institute of Taxation, with whom those of us who have anything to do with tax tend to be familiar. He said:

"The Rewrite has done a good job but our concern has always been that it has not really been the right job. The new law is certainly clearer but it would have been better to put the effort into simplifying the system rather than just the wording."

He went on to say that

"the Institute believes that bringing the Rewrite to a close is correct, as we have previously said. We would hope that more effort can now be put into simplifying the tax system."

We fully endorse those remarks.

The importance of the project has not just been about the rewriting of the legislation and the provision of greater clarity in the wording—that is important; we can build upon a lot of the work that has been done, because we can use some of the structures that exist. For example, the Joint Committee involves parliamentarians making use of outside expertise to scrutinise technical legislation with perhaps more thoroughness than we normally achieve through the Finance Bill process. I have had the honour of being part of that process for the past four years, but I wonder whether, in this complicated area of tax law, a committee that can inquire more than debate and that has access to expert advice is able to provide greater scrutiny than the traditional parliamentary process.

Dr. Pugh: There is a general demand, which I think we all accept, from business to have corporation tax simplified. However, the paradox is that when one starts talking about removing a specific allowance that affects a specific business, the tune changes somewhat. Thus, it is rather difficult to conduct the process in a universally agreed way.

Mr. Gauke: The hon. Gentleman makes a perfectly good point; the losers tend to make more noise than the winners—that is inevitable. I was coming to the issue of simplification, which relates to the argument that John Whiting has been making. Two elements are worth exploring, the first of which is the possibility of a greater degree of scrutiny. The tax law rewrite project has involved scrutiny, but the project has had a very limited remit: to focus on rewriting the language. We will discuss the conclusions that have resulted from that.

The second element is the push towards simplification, and I take on board fully the remarks of the hon. Member for Southport (Dr. Pugh) about that. None the less, the view of my party is that simplification is worth pursuing. All this, whether we are discussing the clarity of language, which is what this Bill is about, or simplification, fits into the issue of the competitiveness of the tax system. I will not digress at any length into corporation tax rates, for example, but this is obviously a Bill on corporation tax and it would be remiss of me not to mention the fact that we used to have a corporation tax rate that was lower than the OECD average in 1997, whereas it is now higher. In 1997, the UK had the 11th lowest corporation tax rate in the world, and now has the 23rd lowest—

Madam Deputy Speaker (Sylvia Heal): Order. May I remind the hon. Gentleman that, as he has recognised, there are some limits to this debate? I hope that he will recognise that and confine his remarks appropriately.

Mr. Gauke: I am grateful for that guidance, Madam Deputy Speaker.

I certainly shall not pursue the issue of corporation tax rates, but clearly the intention behind the Bill is to improve the clarity of corporation tax law. That is an important element in improving—or trying to improve—the competitiveness of the UK tax system. Our argument is that we should go further and that simplification would do much to improve our competitiveness. The process that we have seen in the tax law rewrite project is a valuable guide to how we could go further. I shall not dwell on our proposal for an office of tax simplification, which would make use, as this project has, of the expertise in the tax professions, in businesses, in HMRC and in HM Treasury to ensure that we develop our tax law in an attractive way.

It is worth stressing that we live in a very competitive world. The UK, in many respects, should be well placed to benefit from a globalised world, but it needs a competitive tax system. May I briefly highlight the fact that in 1997 the UK was fourth in the World Economic Forum's global competitiveness report's ranking for having the lowest tax burden? According to a measurement that is not exactly the same but is the closest equivalent, it is now ranked 84th for the extent and effect of taxation. That is a substantial decline, not because of the tax rewrite project but despite it, of course. None the less, we need to go much further. We believe that an office of tax simplification would be a huge step forward.

Let me raise another query with which the Minister might be familiar, as he briefly touched on it in his remarks. The argument was often made that making legislation clearer in the context of income tax was very important. Income tax is relevant to nearly all of us, whereas companies tend to be advised on corporation tax. It is an area that inevitably involves some specialist expertise. Is it quite as necessary to pursue a rewrite project in that context?

Of course, the first point to make—the Minister touched on this—is that there is an interrelationship between income tax and corporation tax, and having reformed income tax, it makes sense to follow with this corporation tax Bill. The second point is that existing practitioners are often somewhat dubious about the project, because they already know where everything is. They are familiar with the existing law and the various sections and schedules, and they know their way around. There is a complication when a new Act that changes things around is introduced. Of course, one must have a degree of intergenerational fairness to tax advisers in this area, and it might well be easier for future generations to find their way around with this new legislation.

Sometimes it is recent legislation that is being amended—again, the Minister touched on this point. In particular, he highlighted the legislation on real estate investment trusts. The regime for REITs was introduced in 2006, and it is substantially rewritten in the Bill. I was struck by the remarks of John Sellers, the head drafter of HMRC's tax law rewrite project, in Committee on 11 January. He referred to the substantial recasting of REIT legislation and went on to say:

> "the legislation had been passed, I think, at a point when policy was still being developed and in those circumstances it was difficult to achieve the optimum arrangement of the material."

A couple of points can be made about that. First, I would be interested to know from the Minister, with his vast experience as a Treasury Minister, how often legislation is passed while policy is still being developed? Perhaps naively, I thought that the policy came first and the legislation followed, but possibly that was not the case. Perhaps that was a peculiarity of the Minister at the time, who, if I recall correctly, is now the Secretary of State for Children, Schools and Families. None the less, that is somewhat surprising. We will always face the need to improve the clarity of legislation if we do it that way round—if we do the legislation first and the policy second. That is somewhat surprising in this context because, if I recall correctly, the REIT legislation was in gestation for some time. It was not rushed. I would be grateful if the Minister could tell us why it has been necessary to recast it.

Let me return to the limitations of the tax law rewrite project. There is quite a strong argument for reconsidering the REIT legislation, not just in terms of how it is structured and drafted, but on its merits, too. In the proceedings on the Finance Bill last year I tabled amendments on the restriction on distributions, for example. At least 90 per cent. of property income must be distributed in the year in question, and currently that has to be done in cash. There was an argument about whether shares should be allowed too, given that there should be no tax consequence. I do not want to go outside the scope of the Bill, but perhaps the Minister will say something about whether the Government are considering the REIT regime, which has cross-party support, more widely. I know there have been difficult economic conditions for REITs, but there is an argument about whether the regime could go further and whether reforms will be necessary. I would be interested to hear his views.

None of these debates would be complete without my briefly mentioning the order-making powers in clauses 1178, 1179 and 1180. The Minister customarily reassures us that those order-making powers, which enable primary legislation to be changed by regulation, will be used only in exceptional circumstances. The Bill restricts them somewhat. I would be interested to know to what extent those powers have been used for previous tax law rewrite Bills. One point that was raised in Committee—it would be helpful if the Minister could address it in this debate—was whether a negative resolution is sufficient or whether the affirmative procedure should apply.

My final query—I apologise: I have two final points; I am sorry to disappoint the Government Whip—relates to whether some of the changes will involve more or less tax being paid. The Minister has said that no major changes are contained in the measures, and rightly so, because they do not involve the same level of parliamentary scrutiny. However, I should like to know whether there has been any assessment of the revenue implications of the changes in the Bill, and whether there is a rough and ready test to determine whether a change constitutes a major change—one too significant to be contained in a tax law rewrite Bill. I should also like to know how that assessment is made.

Finally, some of the amendments made in Committee, particularly those to schedule 1, relate to Northern Ireland, and I wonder why those issues were missed earlier. When the Minister responds to this point, will he say something about the process when new issues arise in Committee? Where do they come from, who identifies them and are they part of the consultation process? We would like to get a better idea of the point at which weaknesses and omissions are addressed.

[Mr. Gauke]

Subject to those queries and questions, we welcome the Bill. The tax law rewrite project might not be perfect and might have too limited a remit, and there is more to be done to move towards simplification, but we should none the less acknowledge the enormous efforts that have been made by many people to improve the clarity of our tax law. That is an important objective. A start has been made, and we hope that a future Government will take on the project and do more to simplify our tax system, not just to clarify it.

2.2 pm

Dr. John Pugh (Southport) (LD): I have not had the advantage, or indeed the pleasure, of being on the Committee, but I pay tribute to all the people who have laboured long and hard to bring the Bill before the House. This kind of legislation takes me back to my days as a council leader when members were annually shown for comment long papers on treasury management that were full of algebra, rather like pages 13 to 16 of the Bill. They were always passed without undue comment, and I note in passing that hon. Members have not exactly been fighting to get into this debate. If the truth were told, only a few pointy-headed people in the Treasury have complete mastery of the entire legislative feast that confronts us—and that includes the Minister, whose knowledge is encyclopaedic, so I assume that he understands it. There is a real case, as the hon. Member for South-West Hertfordshire (Mr. Gauke) said, for expert advice in certain areas in which Members' background knowledge is deficient.

The measures before us are, in part, highly technical, and largely uncontentious. The document is one for tax lawyers to work with as much as one for politicians to mull over. It is largely a tax rewrite and consolidation, rather than ground-breaking, innovative legislation that we need to get excited and argumentative about. It is, however, important, and it would be wrong and foolish of us to pretend that we could do justice to it all here in the time available, so I shall content myself with probing the Minister simply about the general thrust and shape of the legislation, bearing in mind that I wear another hat as a member of the Public Accounts Committee. The Committee recently did an excellent report on corporation tax, which is an odd tax because research shows that raising it does not necessarily raise the total take and that lowering it does not necessarily reduce the take. I think that we can all conclude from that observation that it is easily avoidable.

One point that the Committee made in its report follows from what the hon. Member for South-West Hertfordshire has just been saying. Conclusion two of the report states:

> "Businesses in the United Kingdom can legitimately reduce their Corporation Tax payments by claiming a range of reliefs and allowances. In some cases, the liability may reduce to zero, even though the businesses have made profits. The amount of tax foregone is likely to be substantial, but is not visible."

I cannot tell whether the Bill has been crafted to do what the Committee wants the Government to do, which is ensure that a proper balance is achieved between allowances and overall liability, but I welcome the Minister's assurance that he is mindful of that point.

The Committee also pointed out that the Department does not have

> "a robust measure of the Corporation Tax gap",

by which we mean the difference between what large businesses pay and their theoretical liability. The report makes another point that is worth making now, given the long evolution of the legislation—that, in a change from recent times, about half the growth in global trade now comes from transactions between subsidiaries of multinational companies. However, recommendation eight states:

> "In the United Kingdom, groups of companies are not required to prepare consolidated Company Tax returns so the Department cannot assess the effective Corporation Tax rate across a group of companies."

It then cites Australia and Canada as counter-examples of where things are done a little better. I do not suppose that the legislation was crafted to resolve all those issues, but can we have an assurance from the Minister that those anxieties require a legislative response, and will he ponder whether vehicles such as this Bill provide an appropriate opportunity for that?

I have other concerns, including concerns about the development of bespoke tax avoidance schemes. The Minister is acutely aware of those concerns, and I know that he is working hard to close loopholes where and when they appear. Corporation tax matters are generally controversial, and no issue to do with taxation and this Government is simple. However, corporation tax is a valuable piece of the fiscal jigsaw, and we have to hope that this legislation has got things right.

2.6 pm

Mr. Timms: I welcome the constructive comments from the hon. Members for South-West Hertfordshire (Mr. Gauke) and for Southport (Dr. Pugh), and the broad support that the Bill enjoys. The hon. Member for South-West Hertfordshire suggested that the work should go further and the underlying tax rules should be simplified, but I remind him that the Government have already committed to simplifying the tax system, and we are working with a wide range of interested parties through the tax simplification reviews. The rewrite complements that commitment. I also draw his attention to the fact that the UK compares very favourably internationally, ranking first among G7 countries for ease of paying taxes. The World Bank "Paying Taxes 2010" survey is well worth a read. It makes the point that in the UK it typically takes 110 hours for a company to comply with paying taxes, whereas in Canada, France, the United States, Germany, Japan and Italy it takes a great deal longer. In Japan and Italy, for example, it takes more than 300 hours.

Ease of compliance is what really makes a difference for businesses. For the reasons that we have discussed, more pages of legislation are appropriate for this issue, because although income tax and corporation tax legislation have been placed in separate locations, ease of use and clarity have been improved. I am happy to repeat the assurance that I gave on Second Reading and in Committee that the powers cannot be used to change the law in relation to periods before the Bill comes into force, so the powers are time-limited. As with previous rewrite Acts, I can confirm that the powers will not be used unless the tax law rewrite project's consultative and steering committees both agree that they should be so used.

The hon. Member for South-West Hertfordshire asked me about the rewriting of the real estate investment trust legislation. That reflects the fact that when the REIT legislation was introduced by the Finance Act 2006, there had not been time fully to work out how it should apply in certain cases, particularly in relation to joint venture companies and groups. Powers were therefore taken in that Act to enable those gaps to be filled using regulations, but the resulting regulations are considered to be equal in importance to the legislation in the Act. So I think that it is appropriate for them to be addressed as they have been.

The hon. Gentleman asked about the powers to correct the legislation. The five rewritten Acts so far include more than 4,500 sections, but a total of only 97 errors have been corrected either by using the powers or by primary legislation. That is a great credit to the extensive consultation process and to those who gave their time and expertise to review the draft clauses. Most of the errors have been corrected in primary legislation, rather than by using the powers that we have discussed.

I am grateful to the hon. Member for Southport for the points that he raised, and I can give him the assurance that he sought. We certainly bear the concerns that he raised in mind.

I pay tribute again to the work of the team led by Robina Dyall. This Bill does not reform tax law, but it is important and has cross-party support. It will make things easier for everyone using tax legislation.

I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Taxation (International and Other Provisions) Bill

Motion made, and Question put forthwith (Standing Order No. 60(8)),

That the Committee of the whole House be discharged from considering the Bill.—*(Mr. Timms.)*

Question agreed to.

Third Reading

2.11-pm

The Financial Secretary to the Treasury (Mr. Stephen Timms): I beg to move, That the Bill be now read the Third time.

This Bill has two themes. First, it rewrites international provisions such as double taxation relief, transfer pricing, advance pricing agreements and tax arbitrage. Secondly, it helps users of tax legislation by relocating and, where appropriate, rewriting provisions that would otherwise have been left unhelpfully in the Income and Corporation Taxes Act 1988 or in one of the Finance Acts.

As we have just discussed, last year the tax law rewrite project completed the first part of rewriting corporation tax legislation when the Corporation Tax Act 2009 was enacted. A second Corporation Tax Bill, the sixth Bill produced by the project, has just received its Third Reading. As a result, the whole of the legislation relating to corporation tax will have been rewritten.

This is the seventh and final Bill produced by Her Majesty's Revenue and Customs' tax law rewrite project. As with the Bills produced by the project in the past, this one continues the work to modernise our direct tax legislation so that it is clearer and easier to use.

There is a further point that I want to make about the approach taken in this Bill. In rewriting the international provisions, this Bill, unlike previous rewrite Bills, does not separate them for income tax and corporation tax purposes. This different approach was agreed in consultation with users represented by the independent committees that oversee and support the work of the project.

The project takes great care to ensure that the effect of the legislation remains the same, but it can encompass minor changes in the law when they improve the legislation. There are 15 such changes detailed in the explanatory notes to this Bill, although of course major changes will always be matters for a Finance Bill. All proposed changes in the law are considered by both the project's committees, and no minor changes are included in the Bill without their approval.

Again, I should like to express particular thanks to the UK tax specialists, and others. My gratitude also goes to members of the project's consultative committee, chaired by Robina Dyall, who have ensured that the consultation has been detailed and thorough. The consultative committee includes representatives of small and large businesses, accountants, lawyers and other tax specialists. They have been very generous with their time and energy, for which we are very grateful.

The strategy of the project is set by its steering committee, chaired by Lord Newton of Braintree, which includes members from both Houses of Parliament, the judiciary, business and consumer groups. I am particularly grateful to Lord Newton for his commitment and guidance, and to the members of his committee.

[Mr. Stephen Timms]

As we debated previously, the Joint Committee of both Houses was chaired by the hon. Member for Chichester (Mr. Tyrie). It considered the Bill on 11 January and concluded that the Bill is a welcome clarification of the existing law, which as a result will be easier to use and more accessible to all users. The Committee was satisfied that the changes to the law were of very minor significance, and it accepted the amendments.

This Bill is a worthwhile contribution to modernising our direct tax legislation so that it is clearer and easier to use. It maintains the project's excellent record in improving current legislation and has been welcomed by those who use it. Once again, I am grateful for the support that has been shown across the House throughout this work.

I commend the Bill to the House.

2.15 pm

Mr. David Gauke (South-West Hertfordshire) (Con): It is almost tempting to deliver essentially the same speech that I delivered a couple of moments ago, but that would break the heart of the Government Whip and I would hate to do that. I am also very tempted to say, "I refer the House to the speech I gave some moments ago," but perhaps that would go to the other extreme.

The international aspect of taxation is hugely important for an outward-looking economy such as the UK's. We witnessed great difficulties in 2008, when a number of companies moved their head offices out of the UK because of concerns over international taxation, in particular the Government's consultation with regard to controlled foreign companies that was published in 2007. We touched on that point on Second Reading.

We welcome progress towards greater clarity in this respect, but we touched on the issue of controlled foreign companies in the Second Reading debate of 15 December. The Minister made it clear then that a consultation document was to be published in the new year, which would lead ultimately to legislation that I presume will be incorporated in this Bill when it becomes an Act. The consultation document was published in January, and the early indications that we have seen are encouraging. The Government are moving towards a more territorial system, and it is worth putting it on record that the Opposition believe that that is something that we need to pursue.

Of course, the real test will come when we see the details in the consultation document and what will follow from it. It might be useful to mention that one of the points raised with us is that we need to know how the new user-friendly motive regime contained in the consultation document will operate in practice. The outcome must avoid causing difficulties with HMRC and placing an administrative burden on multinationals that are looking to locate in the UK. It is important that we have a competitive tax system that encourages business to locate here.

Many of the remarks that I made earlier also apply equally to this Bill, and I should like to add my thanks to the various organisations and individuals that the Minister mentioned in his remarks, but I want to make a final point that I could also have made about the previous Bill. That is that witnesses at the Committee stage observed that the engagement by consultees seems to have fallen away slightly. As I noted in the earlier debate, the tax professions and businesses want legislation that goes further than merely clarifying and simplifying the language. They want something that starts to address the substance as well. I make that point again but, those comments apart, we support this Bill.

2.19 pm

Dr. John Pugh (Southport) (LD): If the recommitted Corporation Tax Bill was opaque, this is doubly so, and I say that as a veteran of several double taxation statutory instruments in my time. I want briefly to commend the Government and the Minister for the seriousness of their intent in this matter. I note the updating of tax avoidance legislation. When 82 per cent. of central London commercial properties are owned by companies registered outside the UK—that is the figure from the chief executive of Her Majesty's Revenue and Customs—when companies exploiting the developed world's resources choose to base themselves largely in Bermuda, the Cayman Islands and the Isle of Man and pay little if any tax, and when our biggest retailer put its property portfolio in Liechtenstein, there is a problem, but it is one that the Government have endeavoured to square up to.

Tax avoidance and double taxation are two incompatible evils, and any Government who recognise the reality of international finance need to strike the right balance between them. The Government, and the Financial Secretary in particular, have been resourceful and persistent in their efforts in this regard, and have accelerated the work in this very complex field, using what coercive and persuasive powers they have. I know that the Financial Secretary has had discussions with Crown dependencies' many tax havens and we see now a panorama of treaties around the world, and statutory instruments in this place are multiplying similarly. It is an important point. In a depressed world, it is important that all pay their fair share of tax, and an aspect of this Bill, at any rate, is part of the long, painful, not unrewarding task of making that happen, in which the Financial Secretary has played a conspicuous part.

2.21 pm

Mr. Timms: Once again, I welcome the helpful remarks made by the hon. Members for South-West Hertfordshire (Mr. Gauke) and for Southport (Dr. Pugh). I was particularly interested in and grateful for what the hon. Member for South-West Hertfordshire said in passing about the discussion document that we have published recently on the reform of controlled foreign company rules. I agree with him about the importance of this key issue for the UK's tax competitiveness and I welcome further discussion with him and others in the House and with the large number of companies and organisations that will be taking a close interest as work on this goes forward with a view to legislating—I hope, in the finance Act next year.

I am also grateful to the hon. Member for Southport for his comments about the seriousness of the Government's intent in tackling tax evasion and avoidance. This is an area that he has taken a close and helpful interest in and I am grateful to him for what he said. Over the last year

we have made more progress on tax information exchange than was made in the previous 10 years. The interest that he has shown is a helpful addition to making the progress that is needed.

Mr. Gauke: May I take this opportunity to reiterate the remarks that I have made in some of those double taxation treaty Statutory Instrument Committees? I know that there is potentially a backlog in getting through some of the treaties, such is the number that have been entered into in recent years, and the Opposition are willing to co-operate with the Government to ensure that we can get through as many of those as possible. We think that that adds to the attractiveness of the UK as an economic proposition, as well as addressing some of the concerns about tax avoidance.

Mr. Timms: I am grateful to the hon. Gentleman for that.

Finally, once again I express thanks to the very large number of people who have contributed to the tax law rewrite, and my particular thanks go to Lord Newton and Robina Dyall. This is the final debate of its kind and once again I commend the Bill to the House.

Question put and agreed to.

Bill accordingly read the Third time and passed.

East Coast Main Line

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Mudie.)*

2.24 pm

Sir Alan Beith (Berwick-upon-Tweed) (LD): I am pleased to have the opportunity to raise the issue of rail services on the east coast main line from stations in Northumberland. I am particularly pleased to be doing so in the early afternoon rather than at the usual time of 6 o'clock, because the last train to Berwick is at 6 o'clock and that is my only opportunity to get there before my surgery tomorrow morning. That illustrates one of the weaknesses in the present service, but I will say by way of preface that over the 36 years that I have been a Member of Parliament we have seen significant improvement in the service—not massive improvement, but significant improvement—particularly from Berwick and Alnmouth, achieved by stopping some more of the fast through trains there. That has paid dividends in terms of the number of passengers using the trains, which I will come back to.

In a relatively short time we have had, or will soon have had, four operators running the east coast main line service, and that is not counting British Rail, which ran it previously. We had GNER, which was an adventurous and innovative company, determined to provide good passenger service, and its departure was lamented by many travellers on the line. Then we had National Express, and while at first people were fearful of what would happen with a new operator, it made some changes, but generally achieved other things to compensate for them, including greater punctuality, and people were sorry to see it go. Now we have East Coast, which the Government own, so the Minister runs the trains on our line, indirectly, and so far it seems to be doing a reasonably good job of it, so much so that many travellers on the line, myself included, would rather have some stability and see the East Coast, Government-owned company running it for some time rather than rushing into another operator quickly. To lose one operator seems careless, but to lose two seems downright incompetent, and were we to lose three, I do not know where we would be. It goes back to the problem of trying to exact too big a premium for the system in general from the operator of the profitable east coast main line. The closed auction process—the bidding war—led companies that really wanted to run the service to overbid, and when events came along, including recession, they were unable to continue, and it has been a messy story.

But now, as I say, we have a Government-owned company running the East Coast service. However, that is not the only involvement that the Minister has because the Government determine what services will be run under the franchise system, and both the East Coast and the CrossCountry franchises are set by Government in considerable detail. This is one of the occasions when Ministers cannot say that these are all matters for somebody else; there is close ministerial and departmental involvement.

My focus this afternoon is on the stations that lie in the county of Northumberland, particularly Berwick, Alnmouth and Morpeth, the first two being in my constituency, and Morpeth being one that serves a

[Sir Alan Beith]

considerable area of my constituency. They all depend on east coast main line services and CrossCountry services. The local service to those stations is very limited, except in the case of Morpeth. The local service also serves Widdrington, Acklington and Chathill in my constituency, and we are working to improve it. We are also working to reinstate a station platform at Belford because of the absurdity that a train goes there twice a day and cannot collect any passengers. I will say something about that later. We are making real progress on that, and it may be the first station reopened in our part of the world since Dr. Beeching. If we achieve that, which I believe we can, we shall all be delighted.

I would like to see improvements to that local service, but for the moment I want to concentrate on the express mainline services. There would be no adequate train service at all from Berwick and Alnmouth were it not for stops for East Coast and CrossCountry trains—stops for fast trains. Berwick depends on those entirely, and Alnmouth very largely. Over the years, we have achieved some more stops for these trains.

We saw a particularly good improvement when Chris Green was running Virgin Trains. I was keen to demonstrate to him that there was considerable scope for getting more passengers at Alnmouth station, so I had him to tea here in the House of Commons and sent him up on a trip to look at Alnwick garden and the features of the town. He came back full of interest and excitement, and introduced several new stops on CrossCountry trains through Alnmouth on business grounds. At the same time, we made some improvements to the station. A real business dividend came out of that. Additional custom came on to the trains because the timetable was more viable. People would get a train in the morning because they knew there was a train in the afternoon that they could get back on. The timetable became viable—not as viable as I would like it to be, but much more so than it was. We need to maintain those improvements; they must be continued, not thrown away in careless timetable planning. That is a key point to which I shall return.

The background to rail use in my constituency, first and foremost, is that we have the A1, which is a very dangerous road, only parts of which are dualled. During my time in Parliament I have helped to achieve some additional dualling, but we are not there yet, and much more improvement is needed. People who live locally recognise the road to be very dangerous, and that is one of the many reasons, apart from the environmental ones, why it is better to travel by rail if possible. I have raised that subject in Adjournment debates on other occasions.

Berwick station is a railhead not only for north Northumberland but for the whole borders area. My hon. Friend the Member for Berwickshire, Roxburgh and Selkirk (Mr. Moore) is keenly interested in what happens at Berwick, and he and I are going to see the Minister shortly to talk about that in more detail. The station serves a very large area of southern Scotland in which there are no railway stations at all. That is easily noticed on the station platform when we see so many people coming from Scotland. Whole school parties from Scottish schools catch trains from Berwick, as well as all the people from Berwick itself and from Northumberland. Because Berwick is 55 miles from Edinburgh and 65 miles from Newcastle, rail travel is very important. Things such as major hospitals, many people's work, shopping and major entertainment facilities are all a long way away, and therefore a train journey is the logical, and only really comfortable, way for many people to make such journeys. That makes the Berwick area quite different from many other parts of the country. A lot of people have settled there on the basis that they can work from home but travel occasionally to meetings in London or in other centres. That is an important developing pattern in our economy.

Alnmouth station serves much of mid-Northumberland and has close links with RAF Boulmer, whose service families are big users of the rail service there. It has nearby Alnwick garden, which is attracting vast numbers of tourists. Its management has just been taken over by somebody whose past experience has been in Disneyland, and he expects to increase tourism in the Alnwick area on a very large scale. Alnmouth has a lot of regular commuters and a very active rail users' group, which has contributed enormously to the pressure to maintain and improve services there.

Morpeth station, which serves the southern part of my constituency, has local services, many of which terminate there. However, it is also extremely advantageous for people who are travelling direct to London or on longer journeys to use Morpeth, because that saves them driving into Newcastle. That is an environmental benefit, as well as a benefit in terms of coping with the traffic congestion on the north side of the city. However, there are only a few direct trains from London to Morpeth in the current timetable, and they are popular and well used.

Against that background, let me take a look at what is going on with rail timetables. The first thing that hit us was the Network Rail draft timetable for 2011. It is called, curiously, the "Eureka" timetable, which is more or less what I exclaimed when, after a very long period, I at last found it on the computer. It was extremely difficult to locate; how the public are supposed to take part in the consultation that has been launched, I do not know. At the moment there is no weekend timetable. I looked again yesterday, and we still have only a Monday to Friday timetable accessible on the internet. The draft timetable apparently contains mistakes. I understand from operators that certain trains that they expected to be in it were not included, so we hope that they will be reinstated.

This ongoing process is very difficult to engage with. The only people who are doing so successfully are a very limited number who have a lot of specialised knowledge because of their past employment in the railway industry or because they take a close interest in railway matters. A few of those people have done sterling work in identifying changes that people might otherwise not have discovered until the day they went to get a train and found that it was no longer in the timetable.

At the same time as that consultation, the Secretary of State has launched the franchise consultation for a new operator to take over the east coast main line. That consultation does not contain a timetable, but it does contain commitments and proposals for the pattern of the service, both short and long term. It is quite difficult to understand how the one relates to the other. I have said to the Secretary of State that I hope he will take all the representations on Network Rail's draft timetable as

indicating what people want to see in the franchise as well. Because the franchise contains some new ideas, people will want also to make comments on those. The process is complex.

What is wrong with the draft timetable? Let me start with Berwick. The first train to London from Berwick on the draft timetable, instead of getting in at 10.10 am, as under the present timetable, will not get to London until 10.40 am, half an hour later. That is a serious deterioration in one of the most important services that is provided. Given the pattern that I described earlier of people who work from home going to meetings in London, and given that a lot of people who are on national bodies of various kinds in our industries such as farming travel to London for meetings, that deterioration in service will lead to people taking the alternative of driving to Edinburgh or Newcastle airport and getting a plane from there. The later arrival in London is a serious failure. There is an easy to answer to that, which is that the 5.20 am train from Edinburgh in the new timetable should stop at Berwick, and the 6 o'clock train could stop at Alnmouth and Morpeth, to which I shall come in a moment.

Another gap in the timetable is that there are no southbound trains between 8.10 and 10 o'clock in the morning, which is a huge loss. The CrossCountry train to Penzance, which stops at Berwick at 8.52 am, will not stop there under the new timetable. That is a valuable train to long-distance customers travelling to places such as Birmingham and other stations along the way, and it is much used by students and shoppers travelling to Newcastle. I have a feeling that CrossCountry did not intend to drop that train from the timetable.

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I hope to be able to reassure the right hon. Gentleman on the question of Penzance trains not stopping at Berwick. That was one of the omissions in Network Rail's early timetable work that have since been remedied, and Berwick will have a two-hourly CrossCountry service to the midlands and the south-west.

Sir Alan Beith: That is very helpful, and I am pleased to hear it. It is just that kind of thing that I hope to get out of today's debate, to clarify where it is already recognised that the service needs to be maintained and where work must continue to ensure that it is.

The next gap that I wish to mention is also a southbound service, and it is the main commuter train from Edinburgh. The most obvious time that people leave work is about 5.30 pm, and there is a 5.31 pm train. I use it myself sometimes and it is very well used, but under the new timetable it will not stop at Berwick, which will be a serious gap for regular commuters.

The East Coast service running through to Glasgow from Berwick is to be almost entirely withdrawn. In its place, a new CrossCountry service to Glasgow will be provided. Far more of the CrossCountry trains go there, but those new trains will not stop at Berwick under the draft timetable. A lot of people travel between Berwick and Glasgow, as many organisations that have branches in Berwick are headquartered in Glasgow, so a lot of people make trips to Glasgow as part of their work, and the removal of that service is a loss.

As I mentioned at the start of the debate, the last departure from King's Cross to Berwick is at 6 pm. The new timetable actually suggests that the 7 o'clock will run through beyond Newcastle every day, instead of just on Fridays as it does at the moment. I am so suspicious about the timetable exercise that I cannot believe that is for real—I suspect that "Fridays only" has been missed off the timetable rubric. I would love to be wrong, because I have argued for several years that the earlier removal of that daily 7 pm service to Edinburgh was a serious loss, and a potential loss of business because it was another reason for people to use the plane rather than the train.

On the draft timetable, Alnmouth gains four trains, but loses 13—a net loss of nine. The service at that station is not hourly, but broadly two-hourly. From London, there is now no train between 11.30 and 3.30, and the 3.30 is the last train, except on Fridays, instead of 5.30.

Chris Mole: I assure the right hon. Gentleman that that, too, is an omission from Network Rail's early work and it has subsequently been remedied. Subject to consultation, the 7.13 train from London will call at Alnmouth and on Fridays, there will be an extra service at 19.30.

Sir Alan Beith: I wish all my debates were as productive as this one has been so far. I want to consider that reassurance more carefully afterwards, but, again, it sounds hopeful.

Travelling to London, there is an enormous gap in the first draft of the Alnmouth service between 9 am and 3 pm. There are no direct trains from London to Morpeth at all in the draft timetable, whereas two evening trains currently stop there. I hope that that is covered by the reassurance that the Minister has just given. For the reasons I gave earlier, the direct service from Morpeth, although more limited, is extremely valuable and should be retained.

One of the timetable's oddities is that it is almost impossible to travel between the stations in Northumberland. That is partly a consequence of something that I consider helpful—the sharing of trains along the line. Some trains stop at Alnmouth and not Berwick, whereas others stop at Berwick and not Alnmouth. I recognise that some of that has to happen, but the timetable planners should pay some attention to improving the possibilities for people to travel between, for example, Berwick and Morpeth, or Alnmouth and Dunbar. That is currently not a feature of planning. Indeed, one of our problems is that all the timetable planning is dedicated to services between major centres, such as London, York, Newcastle, Edinburgh and Glasgow, and the stations in between seem to be an afterthought, which is not governed by an examination of what sort of service each station needs and how it can be provided.

I should like another gap in the service to be filled in future. According to the new timetable, the last train from Edinburgh leaves at 8.30 pm. That is too early; there is almost nothing one can do in Edinburgh in an evening that will be over by 8.30 pm. I understand that CrossCountry is to run a late train from Edinburgh to Dunbar at around or after 11 pm. Perhaps that service could be extended to Newcastle or at least Berwick, instead of terminating at Dunbar. It is rather complicated to terminate a train there because of the track layout. Some years ago, a service ran through to Newcastle in the summer months. GNER ran it late at night and it was very popular among Edinburgh festival-goers and others visiting Edinburgh in the evening.

[Sir Alan Beith]

The franchise document refers to increased frequency of services between Newcastle and Edinburgh, with no mention of Berwick, Alnmouth or Morpeth. Anyone from the latter places reading the franchise document immediately thinks, "There's nothing in this for us." There is no attempt to specify that there should be an adequate sharing of those trains among some of the stations in Northumberland.

There is scope for a stopping service from Newcastle to Edinburgh. The Scottish Government have been interested in that for some time. They have been considering options such as opening one or two new stations on the Scottish side of the border at, for example, Reston, and having a service that would come through from Scotland and stop at Morpeth, Alnmouth, Berwick and Dunbar, and perhaps some of the intermediate stations such as Acklington or Chathill. I hope that the door is not closed to that possibility, although whether it can be profitable or would require subsidy is not clear. If there is a possibility of a decision in Scotland to offer some element of subsidy to a service, which seems necessary on the Scottish side, I would like to grab hold of the possibility for the English side, too. As I said, as far as train travel is concerned, people do not stop at the border—people who live in Scotland use Berwick station extensively and travel across the border is a great feature of life in our area.

My primary aim in this debate is to get the Minister to make it his business to ensure that services to Berwick, Alnmouth and Morpeth are not reduced, and that they get a net improvement, in both the 2011 timetable and the franchise negotiations and specifications. The Secretary of State has taken a genuine personal interest in the future of the east coast main line, and I want him and the Minister to ensure that that includes the stations in Northumberland.

I should like to talk about two wider issues that are part of the franchise document. First, on ticket prices, even regulated fares and many cheaper fares are uncompetitive with car and plane for many customers. I quite often get letters from customers saying, "I looked into the possibility of making my business trip by train, but then I found I could drive 50, 60 or 70 miles to an airport, catch a plane and pay significantly less than I would be paying even for a reduced-price first-class fare on the train." Many such offers are made, but the price has crept up in recent years. Unless we ensure that ticket prices are more competitive than air travel, we will continue to encourage people to make long car journeys, which they must do in my part of the world to get to an airport, which is inconsistent with general Government policy.

Secondly, there have been significant station improvements over recent years, including to Berwick station—I had the odd experience of opening the lifts for the footbridge over the station a few years ago. Celebrating the opening of a lift with a glass of champagne is a variant on the many duties of a Member of Parliament, but the facility was much needed by disabled people and people with heavy luggage. The absence of lifts at Alnmouth has been a serious problem. People with disabilities have been told that if they arrive from London in the evening, when there are no staff at the station, they will not be able to leave the platform—they cannot use the bridge and there is nobody to supervise crossing the track. That serious problem is being dealt with, but it is long overdue.

Such improvements are very important, as is parking, at both Alnmouth and Berwick. The county council is pushing ahead with plans for increased parking at the former, but the plans for Berwick have proved difficult. My original hope was that Network Rail would give up its land, because it could be stationed somewhere else—it does not have to be based right by those stations. That would open up more parking spaces.

There is a possibility of getting more parking spaces, the need for which is obvious from the amount of parking in roads round about. I happen to live in one such road. I do not mind people from Scotland parking their cars outside my house to go to the station—I am glad they are using the train—but that has created some problems, and traffic management changes have had to be made to accommodate them. Continued station improvements are very important to the franchise and the future of the service.

The oddity with Belford station is that the only local service that goes into north Northumberland beyond Morpeth goes twice a day to Acklington, Woodrington, and Chathill, and then turns round at Belford, but there is no platform there—there used to be years ago, but not now. Therefore, a train goes to Belford twice a day, but people cannot get on it.

A great deal of effort by local people, with genuine co-operation from rail operators such as Northern Rail and from Network Rail and the county council, is enabling things to be moved forward, and I hope the Department for Transport will also co-operate. The executive of the county council is currently recommending that the council spend money on installing the platform. We have had many battles over how long a platform must be and the greatness of the risk of someone getting out of the wrong door and such things. At times those have seemed absurd, and they have perhaps led to higher costs than necessary. However, I believe we are in sight of achieving that objective, and I hope the Minister continues to offer his encouragement.

There is a lot of scope for transfer to rail travel in Northumberland and a great need for rail travel because of the distances involved. Not many people have to travel 50 or 60 miles to get to a main hospital, to go to a theatre that is not a small local arts centre or to visit all the main chain shops, but that is the situation in north Northumberland. Rail travel is very important, so it is also important that we retain a good service. The timetable drafts left people very worried about losing the gains that we had made in recent years, when we should instead be improving the service, and I hope that the Minister's initial indications that some of those worries are being addressed will be backed up by more restoration of trains to the timetable and some additional stops.

2.50 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I congratulate the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith) on securing this debate and providing an opportunity for the House to discuss rail services on the east coast main line in Northumberland. I know that this is a subject of interest to many hon. Members, and I will discuss points

of detail further with the right hon. Gentleman if I do not successfully address them in my response this afternoon.

The east coast main line is an exceptionally valuable asset in the national transport system. It provides the fastest surface transport between London and the Yorkshire and Humber region, north-east England and Edinburgh. It also provides key links between Scotland, the north-east and routes to the midlands and north-west. It is also of vital importance for freight, particularly as part of the link from major ports to distribution centres in large conurbations, and to coal-fired power stations. Further, it supports the long-distance passenger services provided by the public sector train operator, East Coast Main Line Company Ltd, which pays a substantial premium to Government, thereby reducing the level of taxpayer support needed for the railway as a whole.

The challenges faced by the railway industry on the east coast route are principally associated with the volume of traffic, and the reliability of the services. Growth over the next 10 years, despite the present financial difficulties, is expected to be substantial in almost all the markets served by the route. Passenger demand for rail has been growing strongly over recent years. That is due to a combination of several factors, particularly economic growth and increasing road traffic congestion. On many routes, including the east coast, the growth has been stimulated by additional services and ticketing initiatives that have been developed by the train operators to encourage off-peak travel.

The most significant use of long-distance passenger trains is for business and leisure travel to and from London. The high number of passengers travelling between London and cities such as Leeds, Newcastle and Edinburgh is due to the size and significance of those major conurbations, and transport links among them are of national economic importance.

In Northumberland, stations at Berwick-upon-Tweed, Alnmouth and Morpeth are used by long-distance passenger services. As well as serving their immediate towns and surrounding areas, those stations act as railheads for large parts of Northumberland and the Scottish borders that do not have the benefit of rail connections. In addition, stations at Chathill, Acklington, Widdrington, Pegswood, and Cramlington are used by local services, providing important journey opportunities to Newcastle.

Long-distance passenger services at Berwick-upon-Tweed, Alnmouth and Morpeth are provided by East Coast and CrossCountry train operators. East Coast provides direct trains from those stations to London King's Cross and to principal intermediate stations on the east coast main line. CrossCountry provides direct trains to east coast main line stations as far south as York, then stations towards the midlands and south-west including Leeds, Sheffield, Birmingham, Bristol, Plymouth and Penzance. East Coast and CrossCountry also provide direct trains from Morpeth, Alnmouth and Berwick-upon-Tweed to Dunbar and Edinburgh, some of which are extended to serve other stations in Scotland, including Glasgow, Dundee, Aberdeen and Inverness.

The current east coast main line timetable does not have a regular repeating pattern and, consequently, train times at stations in Northumberland are at irregular intervals. Broadly speaking, Berwick-upon-Tweed has an East Coast London train most hours and a CrossCountry train approximately every two hours. Alnmouth has six London trains per day and a CrossCountry train approximately every two hours, and Morpeth has three East Coast and three CrossCountry trains per day. Those levels of service reflect relative numbers of passengers travelling from each of those stations.

In 2008 Network Rail published its route utilisation strategy—colloquially referred to as RUS—for the east coast main line. The RUS, which was compiled with the assistance of industry parties and other key stakeholders, considered the current and future passenger and freight markets, and assessed the future growth in each. It then sought to show how growth could be accommodated effectively and efficiently, and proposed measures ranging from the lengthening of trains to the provision of additional infrastructure. It recommended that additional long-distance high-speed passenger services should run to and from King's Cross both in peak times, with up to eight trains an hour, and in off-peak times, with six trains per hour. That strategy is expected to cater adequately for forecast growth in passenger demand at least until the end of the RUS study period in 2016.

In the longer term, increasing train capacity through the use of new high-capacity, super-express trains and increasing network capacity by rolling out 21st-century signalling technology, in the form of the European rail traffic management system, might create the potential to double capacity. However, it will be several years before those enhancements can be delivered, so the Government believe it necessary to develop and implement an improved timetable in the shorter term, essentially using the current infrastructure.

We recognise that any increase in service frequency in advance of infrastructure enhancements is likely to be limited to off-peak periods, when the performance impact of such an increase can be largely offset by improvements to the structures of the timetable, including through adopting a regular repeating service pattern. Additional services to accommodate growth are likely to be necessary first at the southern end of the east coast main line, where traffic volumes are greatest. North of Newcastle, trains are generally less crowded and additional services less likely to be justified in the short term.

The Government have adopted a three-stage approach to the development of east coast main line train services. First, the timetable will be changed to provide some additional trains south of York and to adopt a more regular pattern of services, with improved average journey times. The new timetable will be introduced by East Coast in May 2011. Secondly, through their high-level output specification for the rail industry, the Government have specified a package of infrastructure enhancements to increase the effective capacity of the route. Those enhancements have been included in Network Rail's funding from 2009-2014, and will enable additional peak and off-peak passenger services to run after 2014, while preserving capacity to accommodate important freight flows. Thirdly, the Government are leading the procurement of a new generation of super-express trains for introduction to the east coast main line from about 2014. Those trains will have greater carrying capacity and better performance than current trains, allowing services to be speeded up and additional services to run.

[Chris Mole]

Although the most critical capacity issues are likely to be south of York, the stations in Northumberland will benefit from each stage of the Government's strategy to improve east coast main line services. The new May 2011 timetable will adopt a more regular pattern of station calls in Northumberland, and average journey times will be reduced. Berwick-upon-Tweed will be served each hour by a fast train between Edinburgh and London, calling at Newcastle, Darlington and York. The journey time between Berwick-upon-Tweed and London King's Cross will be about three hours and 38 minutes northbound, which is six minutes faster than today, and three hours and 40 minutes southbound, which is 23 minutes faster than today. That is because the southbound trains from Berwick-upon-Tweed in today's timetable call at many intermediate stations, whereas in future they will be fast trains normally calling only at Newcastle, Darlington and York. Other stations will be accessible by convenient connections, at either York or Newcastle.

Berwick-upon-Tweed will continue to be served by a CrossCountry train on alternate hours, giving through-journey opportunities to Leeds, Sheffield, the midlands and the south-west. Alnmouth will gain a significantly improved service, with a train each hour provided alternately by East Coast or CrossCountry, and running alternately to London or to the midlands and south-west. The total number of long-distance trains per day will increase by 30 per cent., from 27 to 35. At Morpeth the service will increase from six to seven long-distance trains per day in each direction, providing a greater choice of journey times while retaining the current commuting and business travel opportunities.

I know that the right hon. Gentleman is concerned about the timing of the first train of the day between Berwick-upon-Tweed and London. At present the first train from Edinburgh to London calls at Berwick-upon-Tweed at 06.29 and arrives at London King's Cross at 10.11. The Government believe that there are significant benefits to be gained from providing a very fast business service between Edinburgh and London, to encourage the use of rail rather than domestic air travel. My noble Friend the Secretary of State for Transport has therefore challenged the industry to provide a morning train with a journey time from Edinburgh to London of less than four hours and an arrival time before 10 o'clock. To achieve that demanding target, the first train from Edinburgh will be given special priority in the timetable, and will call only at Newcastle. Consequently, the earliest service from Berwick-upon-Tweed will be provided by the following train, which is planned to arrive in London at 10.41.

I recognise that that change is undesirable from the point of view of travellers from Berwick-upon-Tweed, and options to provide an earlier arrival time are being examined. However, it is an unfortunate fact of railway timetabling that the large overall benefits arising from a major timetable change are sometimes deliverable only by making compromises for some of the smaller traffic flows.

Sir Alan Beith: I hope that the alternative options for an earlier arrival in London will be pursued vigorously, because many of the people who now get that train will otherwise transfer to air travel. That would be inconsistent with what the Secretary of State is trying to achieve by establishing the early departure from Edinburgh. Air travel would be more attractive, and provide a shorter journey, for the people travelling from Berwick.

Chris Mole: I take the right hon. Gentleman's point, but I ask him to accept that in this instance a later arrival time might be unavoidable. However, we will explore all possibilities.

The right hon. Gentleman has expressed concern about the widely misreported plan to withdraw through services between the east coast main line and Glasgow. I would like to set the record straight on this matter. At present, East Coast services between London and Edinburgh are extended to and from Glasgow Central at two-hourly intervals throughout the day. In the May 2011 timetable it is proposed that most of those trains should run only between London and Edinburgh. Instead, CrossCountry services between Edinburgh, Yorkshire, the midlands and south-west England would be extended to start and finish at Glasgow Central at two-hourly intervals. There would be no withdrawal of services—simply a change of train operator—and there would continue to be opportunities to make through journeys between stations in Northumberland and Glasgow.

The East Coast train operator has recently commenced consultation with passengers and other stakeholders on the details of the May 2011 timetable proposal, and I am sure that many Members of the House will wish to contribute their views. I take the right hon. Gentleman's point that some of the consultation documents were not easy to find. The rail regulator's documents were perhaps more technical in nature, and therefore not intended for widespread access. However, the Department for Transport's franchise consultation is available on our website and as a hard copy, and the Department will be holding stakeholder events on the proposed franchise arrangements, including one in Newcastle. With regard to the information provided by the East Coast train operator on its ambitions for the timetable, I will draw the right hon. Gentleman's comments to the attention of the company.

Sir Alan Beith: The Minister has said some very encouraging things this afternoon, but they are so far from the draft timetable originally produced that I hope that he can secure some means by which a realistic timetable, incorporating some of what he has described, can be made available so that it can be examined by the public. If he has a good story to tell, it would be better to tell it, rather than the weak story that the present draft timetable represents.

Chris Mole: I honestly take the right hon. Gentleman's point, but I fear that for some individuals looking at the information, a little knowledge was a dangerous thing, as they were reading more into it than was perhaps justified. Because of the extent of the proposed timetable changes, the Office of Rail Regulation will need to approve amendments to the track access agreements that enable the train operators to gain access to the railway network. This will require the ORR to be satisfied that the trains and train operators granted access to run on the route are those that will make the best use of it and make the greatest contribution to the economic

health of the regions it serves, as well as to the financial health of the railway system. I understand that the ORR will publish its decisions within the next few days.

I should explain that, in addition to the proposed changes to East Coast and other franchised passenger services in May 2011, the ORR received a number of other applications for additional access rights on the east coast main line from open access passenger and freight train operators. The total demand for train paths exceeded the available network capacity, so it has been necessary for the ORR to determine which applications for track access it will approve and which should be rejected.

In reaching its decisions on the best use of capacity, the ORR has a statutory duty to balance a large range of factors, including promoting use of the network for the carriage of passengers and goods, protecting performance levels, encouraging competition and having regard to the available funding for the railway system. There are some difficult trade-offs here. For example, while new open access passenger services generally increase the overall number of passengers travelling, and compete with established operators, they often require non-standard train paths, which could be a performance risk, and much of their revenue is abstracted from franchised operators, thereby increasing the cost of the railways to the taxpayer.

In addition to providing its own economic and financial analysis, the ORR asked Network Rail to report on the extent to which the competing applications for capacity might be accommodated. In accordance with its usual policy of transparency, the ORR published on its website Network Rail's reports on associated timetabling work, which is what we are talking about.

Unfortunately, this preliminary timetabling work, which was carried out purely to inform the ORR's decision-making process, has been misinterpreted by some as a final timetable. That is particularly unfortunate in the case of East Coast and CrossCountry services at Berwick-upon-Tweed, Alnmouth and Morpeth, which had not been fully specified when Network Rail's preliminary timetabling was carried out, as they were not directly relevant to the key capacity allocation decisions for the route south of York. Specification of these services is now complete and, subject to the ORR's final decisions and any adjustments arising from consultation, the May 2011 timetable in Northumberland will be as I described it a few moments ago.

Although the May 2011 timetable will be implemented by the public sector train operator, East Coast, it is the Government's policy that passenger train services should be provided by the private sector through franchising agreements with the Department for Transport. Thus, on 21 January my noble Friend the Secretary of State for Transport announced the start of consultation on the specification for a new inter-city East Coast franchise to commence in autumn 2011. The consultation document is available on the Department's website; I encourage hon. Members to read it and to let us have their views on the proposed specification.

The right hon. Gentleman asked specifically about Friday services. I can assure him that the 19.00 service from London will run every day and that the 19.30 from London to Newcastle will be extended to Edinburgh on Fridays only, calling at Morpeth, Alnmouth and Berwick-upon-Tweed.

At its inception, the new franchise will operate the May 2011 timetable and will continue to provide the services at Berwick-upon-Tweed, Alnmouth and Morpeth, as I described earlier. We intend to invite bidders to make proposals to utilise the additional infrastructure capacity, to be provided by Network Rail by 2014, and, subject to the usual value for money and affordability assessments, we would hope to be able to procure further train service improvements in that year.

Bidders for the new franchise will be expected to demonstrate how they will achieve improvements in service levels and facilities at stations where the franchisee is the station facility owner, and that includes Berwick-upon-Tweed. They will be required to address safety and security, accessibility and improvements to car parking and cycle storage, along with other concerns that the right hon. Gentleman raised. The Department will expect bidders' plans to be informed by the recent review entitled "Better Railway Stations" carried out by station champions Chris Green and Sir Peter Hall, whom the right hon. Gentleman mentioned.

Reopening of the former station at Belford was mentioned. I know that this has been a local aspiration for some time. Although potential passenger numbers are probably quite modest, a limited service could be provided with minimal additional operating costs, because local trains between Newcastle and Chathill must run north to Belford before changing tracks to return south. I understand that Northumberland county council is considering as early as next week the case for reinstating a platform at Belford, and the Government would welcome that initiative.

The right hon. Gentleman spoke briefly about ticket prices. Let me remind him of the need to strike a balance between the interests of the fare payer and those of the taxpayer. I am sure he will appreciate that the east coast train operator will want to promote increased use of its services while protecting its revenue.

The new inter-city east coast franchisee will also be able to undertake the introduction of the new super-express trains, which are expected to be available from 2014 onwards. The Department is leading the procurement of those trains, which will be designed, financed, built and maintained through a private finance initiative. We expect the new trains to give the franchisee an opportunity to make further improvements to the east coast main line timetable, including further journey time reductions and frequency increases.

I cannot make any precise commitments about the details of the super-express timetable at this stage. An initial outline will be prepared over the next few months as part of the specification for the new franchise, and more detailed development will be undertaken at the appropriate time by the new franchisee in conjunction with Network Rail and other stakeholders.

I thank the House for the opportunity to explain the Government's plans for improved train services on the east coast main line, with particular reference to services at the stations in Northumberland. They illustrate the Government's ongoing commitment to improving Britain's railways.

Question put and agreed to.

3.11 pm

House adjourned.

House of Commons

Friday 5 February 2010

The House met at half-past Nine o'clock

PRAYERS

The Chairman of Ways and Means took the Chair as Deputy Speaker (Standing Order No. 3).

Mr. David Chaytor (Bury, North) (Lab): I beg to move, That the House sit in private.

Question put forthwith (Standing Order. No. 163).

Question negatived.

BILL PRESENTED

TERRORIST ASSET-FREEZING (TEMPORARY PROVISIONS) BILL

Presentation and First Reading (Standing Order No. 57)

Mr. Chancellor of the Exchequer, supported by the Prime Minister, Secretary David Miliband, Mr. Secretary Straw, Secretary Alan Johnson, Mr. Secretary Denham, Mr. Liam Byrne, Mr. Stephen Timms, Ian Pearson and Sarah McCarthy-Fry, presented a Bill to make provision for the temporary validity of certain Orders in Council imposing financial restrictions on, and in relation to, persons suspected of involvement in terrorist activity; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 62) with explanatory notes (Bill 62-EN).

Local Authorities (Overview and Scrutiny) Bill

Second Reading

9.34 am

Mr. David Chaytor (Bury, North) (Lab): I beg to move, That the Bill be now read a Second time.

My Bill will strengthen the scrutiny powers already available to local authorities, and extend the range of public service providers that can be subject to the scrutiny process. It is designed to improve accountability in order to improve outcomes and thereby drive up the standards of local public services.

I express my thanks to all those who have helped with the drafting and preparation of the Bill. I thank those local councillors and officials in both central and local government who have given me the benefit of their experience of the way in which scrutiny is working now. I thank all those people who have written to me about the Bill with very constructive suggestions, demonstrating the increasing interest of local authorities in the scrutiny process and the seriousness with which they take it. Hundreds of people from across the country have written letters or sent e-mails urging me to adopt their preferred Bill, and I hope that they will understand why it has not been possible for me to reply to them individually. I hope that they appreciate the reasons for my choice of Bill.

I recognise the work of the Local Government Association in providing extremely valuable guidance on scrutiny processes and in submitting a detailed response to the Bill. I express my gratitude for the assistance provided by the Centre for Public Scrutiny, both in terms of the professional expertise and advice generously made available to me and the wealth of excellent material available on the centre's website. Finally, I commend the staff of the Library for their excellent research paper on the Bill.

Before coming to the Bill and the increase in powers that it proposes, I want to say a few words more generally about local democracy and the power and role of scrutiny. For much of the second half of the last century, local councils saw their powers to influence the growth, shape and future development of the communities that they serve gradually weakened. Many of the services that councils had traditionally provided directly were centralised or privatised. Councils became increasingly dependent on central Government for their financial base. They were subject to intense political and financial pressures, locally and nationally, as the demand for quality public services grew, but taxpayers' willingness to pay for them declined. As a result, the provision of services was gradually fragmented; the quality of many services declined; the lines of accountability and responsibility became confused; and the perception grew that the provider of the service was frequently more important than the consumer.

Not surprisingly, the electorate gradually also became confused as to who was responsible, and with that growing confusion about the lines of accountability came increasing dissatisfaction with the quality of service. Voters were unsure as to who was to blame when things went wrong, and they lost confidence in the capacity of the council to put things right. Of course, as we all recognise, that was gradually reflected in declining levels of interest and turnout at local elections.

The last 10 years have given all local authorities a much more secure financial base, a much clearer view of their role and the capacity to invest heavily to improve local services and infrastructure. Yet the levels of public engagement with local democracy and public support for local authorities are still frequently far too low. That is in spite of gradual improvements in performance, as evidenced by the inspection reports, and the gradual increase in the number of four-star councils that are now performing at a very high level.

There will always be differences between the main parties about the structure and financing of local government. However, the good news is that there is now a stronger, cross-party consensus about the need for greater accountability, greater transparency and more decentralisation of decision making than has existed for many years. That was evident in the debate on the local government finance settlement earlier this week. All the major parties now agree that if local democracy is to be revived, the direction of travel has to be towards further decentralisation, increasing localism and increasing personalisation of public services. There is also growing recognition of the importance of local public service providers working in partnership on common objectives. Isolation and fragmentation of the delivery of services is ineffective and highly expensive, which is where the scrutiny function of local authorities becomes of central importance.

[Mr. David Chaytor]

Today, people are used to accessing high-quality services from the private sector 24 hours a day, seven days a week. Expectations of high-quality services tailored to individual need, delivered at a time convenient for the service user, are rising continually. People also want more from the public sector—from central and local government. There is growing demand for more information on local services. I must refer to an enormously important development: the launch of the data.gov.uk website, which enables everyone in Britain to access a potentially infinite amount of information on all local public services. It is the beginning of a remarkable transformation in the availability of information to the public. There is also demand for greater consultation on how local services are provided, and for greater public involvement in the shape of those services. There are also demands for action and proper complaints systems when the public feel that things do not work properly.

As almost all public services are delivered locally, the efficiency and effectiveness of local government is crucial, and in recent years much has already been done to bring that about. The past decade has seen many improvements. We now have greater financial stability, with three-year financial settlements enabling local authorities to plan ahead in a more stable manner. There is a reduction in the number of central targets and inspection regimes, and associated greater flexibility locally. There is greater financial flexibility through a more prudential borrowing scheme, too.

Mr. Andrew Dismore (Hendon) (Lab): One of my concerns about my hon. Friend's Bill is that there is no provision that addresses the question, "quis custodiet ipsos custodes?" or "who will guard the guardians?" To take up his point about flexibility, my local authority has decided to axe the sheltered housing warden service. As a result of all the local opposition and the High Court decision, it is now revisiting the issue. There seems to be no way to hold the local authority to account. Is there any way, in his Bill, of holding the local authority to account in those circumstances?

Mr. Chaytor: My hon. Friend raises a very important point. In the Bill there is no such way, but through the ballot box there is. Another answer to his question is that increasing emphasis is being given to the power of the public to influence and pressurise local authorities, through the community call for action, the councils' call for action, and the new emphasis on petitions. All those were introduced in recent local government legislation. That, in addition to the normal power through the ballot box, gives the public more power to influence local authorities' decisions.

I want to draw attention to an important change in recent years: local authorities now have a general power of well-being, after calling for it for many years. They are no longer shackled by central Government restrictions on how they interpret the long-term needs of their areas. Of course, the role of councillors and councils, with their unique democratic mandate, is absolutely critical to making sure that local services respond to the needs of local communities, although I fully accept that, as my hon. Friend has mentioned, decisions by local authorities do not always reflect the needs of their communities.

Councils must be given the powers that they need to act decisively and effectively on behalf of their citizens, and the powers and capacity to scrutinise, influence and shape all public services, including those delivered by other providers, which may be in the private sector or the third sector, or that may be agents of central Government. That is a new, much stronger role for local government, placing it firmly at the centre of decision making in the community. It is central to the long-term process of rebuilding public confidence in the democratic process overall.

I want to say a word about the role of scrutiny and how it has developed in recent years. Although the separation of local authorities' powers into executive and scrutiny functions has been in place for barely 10 years, enormous progress has been made in many local authorities, where the power of scrutiny is clearly understood. In some parts of the country, oversight and scrutiny panels have started to shape the local delivery of health and crime prevention policies. In the more successful authorities, the panels have already led to an increase in public engagement and a greater recognition by service providers of the need to respond to public concerns.

It would be naive to assume that every local authority has fully grasped the potential of the new scrutiny function, but I think that it is generally recognised that understanding is increasing, and the number of people calling for a return to the old system is dramatically reducing. Now is the time to move forward and ensure that scrutiny is an outward-looking process that considers the wider impact of how effectively public money is spent across all public services in a local area.

The growth of local strategic partnerships and the establishment of comprehensive area assessments mean that councils must now take responsibility for the effective use of public funds across their whole area, and they should be able to hold all public service providers to account on behalf of the communities that they represent. At a time of rising public aspirations and increased aversion to higher levels of taxation, councils and other public service providers need to find ways to deliver ever more personalised and flexible public services with the same level of resource. Effective scrutiny processes can help them to find ways of doing more with less.

Mr. Dismore: My hon. Friend has a very good Bill, and there are some important points raised by it. I have a question to ask him about designation, which will be done by the Secretary of State. I assume that it is not intended that Parliament, or Members of Parliament, should be among those who can be designated, because that could raise important issues relating to privilege.

Mr. Chaytor: My hon. Friend raises a really important point. From my point of view, the groups that he mentions will not be subject to the regulations that will be published. It is a matter for the Government which organisations and individuals they include, but in all the discussions about the Bill to which I have been party, there was no suggestion that Parliament should be designated in the regulations.

Matthew Taylor (Truro and St. Austell) (LD): On that point, I am never particularly in favour of giving Ministers all sorts of discretionary powers; one never knows who the Minister will be at any given time. I am not quite sure why the hon. Gentleman has taken the

approach of handing over the designation of the bodies that will be scrutinised to Ministers, because the definition in the Bill could cover a very wide range of organisations that are in receipt of some sort of public funding, including charities and others; all sorts of such organisations deliver services in my constituency in that way. There might be concern about how widely the definition is drawn in practice.

Mr. Chaytor: That is an important point, and that concern has been raised by a number of organisations. However, given that the measure is a radical step forward in giving local authorities powers to scrutinise a wide range of organisations, there probably does need to be more time to build up consensus about the range of organisations included. The hon. Gentleman will recall that the Local Government and Public Involvement in Health Act 2007 lists, I think, 20 public agencies that can now be scrutinised as part of the local area agreement process. That list could well be specified in regulations under my Bill, but there are other agencies and providers that could be specified, too, not least the utility companies and public transport providers. Further debate is probably needed before the regulations are issued, rather than specifying in the Bill which bodies should be included.

Since the development of scrutiny in the Local Government Act 2000, enormous progress has been made. Initially, councils had to set up at least one scrutiny committee to examine decision making across the council, acting as a check and balance on the powerful council executives. Those committees had Select Committee-style powers, and were able to call in officers and members to give evidence. They could also require information to be given, but only in relation to council executive decisions.

Scrutiny committees were also provided with wide ranging powers to examine any issue of importance in a council's area and make recommendations to the council, but in such reviews the scrutiny committees did not enjoy the same Select Committee-style powers as they did when looking at executive decisions. The co-operation of external bodies in these circumstances was entirely voluntary, and frequently it was difficult to find that co-operation.

The Health and Social Care Act 2001 provided upper-tier local authorities with the power to review the planning, provision and operation of health services in the area and to make reports and recommendations to local NHS bodies. Scrutiny committees may require NHS bodies to provide information, attend scrutiny meetings, answer questions and respond to recommendations made by the scrutiny committee. Under the 2001 Act, NHS bodies must also consult the relevant local authority scrutiny committee about proposals for substantial service changes. If the committee is unhappy with the proposed changes, the issue can be referred up to the independent regulator.

A further step forward was made when the Police and Justice Act 2006 required every local authority to have a crime and disorder committee with powers to scrutinise decisions made or actions taken by the crime and disorder reduction partnership. As with the health scrutiny regime, crime and disorder scrutiny committees can require information, require officers to attend meetings to answer questions, and require a response to the recommendations that they make.

The Local Government and Public Involvement in Health Act 2007 extended the Select Committee-style powers. The new arrangements have made scrutiny more outward-looking, and it can focus on the activities of public sector partners such as Jobcentre Plus, joint waste authorities and the Highways Agency in respect of agreed local priorities.

Mr. Dismore: Would my hon. Friend's Bill extend to railway contractors? I have in mind the appalling record of First Capital Connect on the Thameslink line, which has affected so many of my constituents since the dispute, and its failure to restore proper services. Would my local authority be able to call the company to account through the scrutiny process?

Mr. Chaytor: Again, my hon. Friend makes an important point. As he knows, that would be the subject of future regulations, but railway contractors as well as the train operating companies, other public transport services and other public transport maintenance companies that are wholly or partly financed by public funds could potentially be listed in the regulations. My hon. Friend's intervention reinforces the point that a further period of debate and discussion is probably needed about the individual organisations and providers that should be included in the future regulations.

The Local Democracy, Economic Development and Construction Act 2009 required local authorities for the first time to provide a dedicated scrutiny officer. That requirement should be in force by 1 April this year. Only this week, the Flood and Water Management Bill increased the powers of local authorities to scrutinise the various risk management authorities on the exercise of their flood and coastal erosion functions.

The Bill takes forward proposals in last year's local government Green Paper, "Strengthening local democracy," on which there was a substantial public consultation in the last few months of 2009. It extends councils' scrutiny powers to the next logical stage. It will enable scrutiny powers to cover a wide range of external bodies from the public and private sector. It will be a matter for future debate and for the Government as to which bodies are designated in the regulations. It will designate bodies that carry out activities which impact heavily on the day-to-day lives of local people.

The Bill enables more effective scrutiny of local public services. It does so by establishing a framework for broadening their scrutiny powers and extending them to cover a wider range of organisations. That means that in future, when undertaking their scrutiny function, councils will be less reliant on the voluntary co-operation of external organisations. Under the new regime the external bodies subject to scrutiny may be required by a local authority's overview and scrutiny committee to provide information to the committee and to attend scrutiny meetings to answer questions. Both measures will help council scrutiny committees to be fully and properly informed. The external bodies will be required to respond to the scrutiny committee's reports and to have regard to the recommendations.

The framework established by my Bill provides that bodies subject to the regime will be specified in future regulations, so decisions will be a matter for the Government, as has been mentioned, but the Bill enables the maximum reach and scope. I hope that the Government will be ambitious and imaginative in deciding which organisations will be specified in the regulations.

[Mr. Chaytor]

It always important to consider the potential effect of the enhanced regime on the bodies to be brought within it, and it will be vital to strike the right balance between enabling constructive and challenging scrutiny, while avoiding the process becoming overly time consuming or burdensome to the new bodies brought into the regime. Measures will be needed to ensure that the burdens are minimised and that operational independence is not compromised. My Bill recognises this. There will be new provisions to minimise burdens, duplication and effort, and to maximise the efficiency, effectiveness and benefits of constructive scrutiny.

In addition to the framework for the enhanced regime, the Bill recognises the increased importance of scrutiny as a key council function. It will require the council's scrutiny officers to be fully and sufficiently resourced. We know that councils are now required to have a designated scrutiny officer. Across the country the number of councils with a designated team is quite small. In most councils the scrutiny function tends to be shared between a number of officers. The average number of officers engaged in scrutiny is currently about three, though obviously there is a wide range, reflecting the size of local authorities. My Bill's provision to ensure that the scrutiny officer is sufficiently resourced will make a significant improvement and lead to greater quality and thoroughness in the scrutiny process.

The impact assessment published alongside the Bill indicates that the total cost of compliance on the new providers brought within the regime is likely to be less than £300,000 per annum. The cost of ensuring that scrutiny officers are properly resourced to do the job will be less than £4.5 million per annum and will be fully funded by the Department.

I shall refer briefly to some of the scrutiny work that my local authority, Bury metropolitan district council, has done in recent years. It is an authority without a dedicated team of officers. Nevertheless, it has adjusted to the new regime and started to get to grips with serious issues affecting the borough. It has built strong relationships with its partner providers, and it has a good track record on work on, for example, domestic violence, hard to reach young people, town centre safety, the future of the music service, safeguarding children, alcohol misuse and residential care. As the lead authority for the joint committee for the Pennine Acute Hospitals NHS Trust, my authority has contributed to a much larger review of dementia services, stroke services and health care-acquired infections.

I draw the attention of the House to the annual awards made by the Centre for Public Scrutiny—the good scrutiny awards. There is an impressive list of authorities that have won awards under different headings—for the best team, for financial scrutiny, for community engagement, and for scrutiny of health policy. This is the best example, which is available on the website of the Centre for Public Scrutiny, showing the range, depth and growing innovation in scrutiny processes.

There are probably four characteristics of good scrutiny, and my Bill will enhance all four. It is important that the scrutiny role adopts the approach of a critical friend. Scrutiny should not be hostile, aggressive or designed to subvert or destroy; it should, as I have said, act as a critical friend. Scrutiny must respond to and reflect genuine and deep public concerns; it cannot be arbitrary. It must be owned by people with an independent mind who are not subject to predetermined thinking on the issue that they investigate and scrutinise, and the object of scrutiny must be to drive improvement in public services.

In conclusion, I again thank all those who have contributed to the development and preparation of the Bill. It is based on principles that are now supported in all parts of the House, and it makes provision for new powers that build on those that have been agreed to in previous legislation. Those new powers are designed to improve the quality of public services through greater accountability in order to help renew public confidence in the local democratic process. I commend the Bill to the House.

10 am

Justine Greening (Putney) (Con): The Opposition very much appreciate the Bill's intention, which is to give councils much greater powers to scrutinise local public services. We all recognise that the delivery of those local public services has changed over time, and a variety of providers not just in the private sector but increasingly in the third sector now provide essential public services for local communities throughout the country. A local authority's scrutiny functions are therefore a vital tool in promoting accountability and ensuring transparency in local decision making, and that allows local communities to become involved in the decisions that affect their daily lives. Given the importance of the powers that the Bill confers, and the Government's previous commitments to introduce them, we are slightly concerned that the actual legislation before us is a private Member's Bill. It appears to all intents and purposes to be a Government Bill.

Having said that, I turn to the broad sweep of the Bill, the intention behind which we support. We have some concerns about the wording of certain clauses, and before the Bill goes into Committee we would like to flag up those concerns so that Ministers and the hon. Member for Bury, North (Mr. Chaytor) take them on board and we have a more constructive debate in Committee.

Overview and scrutiny committees perform an important function, reviewing policy and performance and holding local public service providers to account. Currently, those committees have the power to require information from a range of organisations including councils, NHS bodies, law and order bodies and partner authorities that are involved in local area agreements. The committees can also summon representatives of most of those bodies to appear before them, and they can require such officials to respond to reports and recommendations that have been issued to them. However, that does not happen with all bodies—for example, partners that are involved in delivering local area agreement objectives. Indeed, many other local bodies are not required to submit to the same level of scrutiny by local authorities, so their voluntary participation in scrutiny is not guaranteed.

There is a growing recognition that overview and scrutiny committees need to have powers over a wider range of external organisations as they become more involved in local public services, and that councils should provide sufficient resources and support to those committees so that they can undertake more scrutiny.

The Bill seeks to address a number of issues, and we welcome its intention to increase local scrutiny powers. However, I want to flag up a number of concerns about how the Bill, as currently worded, will work in practice, so that in Committee we can have a proper debate about the range of challenges that the Bill poses. I shall quickly go through the Bill, clause by clause.

One of the most important measures in the Bill is the power to scrutinise a "designated person or authority", and there are questions about how that designation will be defined. It would therefore be helpful if the Minister could either set out his views on the organisations that could come under the Bill's designation or state whether he intends to publish a draft list of such bodies. That would be helpful, because many Members would then have a better idea of the Bill's sweep.

The hon. Member for Hendon (Mr. Dismore) rightly raised not concern but his interest in understanding how broad the designation will be, because clause 1 is vague. Subsection (2) defines a matter "'of local concern'", but it does so relatively, stating:

"A matter is 'of local concern' in relation to a local authority only if it affects the authority's area or the inhabitants of that area to a greater degree than it affects the areas of other local authorities or the inhabitants of other such areas."

I am not clear about how that definition will work in practice, or about whether we actually want that provision.

Mr. Dismore: First Capital Connect—my example—has seriously affected not only my constituents but those of all MPs all the way along the line, from Bedford down to the south coast. On that basis, the test to which the hon. Lady refers might not be met. However, that example would clearly meet the test of a matter of great local concern.

Justine Greening: The hon. Gentleman raises an important practical example, demonstrating why we want the Bill to be improved and more tightly worded. The other obvious example is the post office closure programme, which was incredibly controversial in many local communities. It affected all local communities, including my own, but, based on clause 1 as drafted, it would not fall within the scope of an overview and scrutiny committee. The committee would not be able to question Post Office managers about the way its service proposals might affect local communities and businesses, and we have some concerns about that.

Clause 1 also includes the power to designate

"(a) generally, or

(b) in respect of services".

Does the Minister feel that there is a danger of the designation becoming broader than necessary? We want to ensure that the Bill is effective, but that it does not become so broad that it ends up being cumbersome for all concerned. More clarity from the Minister would help our understanding of the clause's breadth. Specifically, will regional development agencies be included? The hon. Member for Hendon is clearly concerned about transport providers, and many London MPs regard them as bodies providing public services that their local councillors may well want to scrutinise.

Once we have agreed which public service providers come under the designation, the next question is, what activities will be scrutinised? The Bill's definition of a matter "of local concern" is vague, so will the issues that it covers be consistent with those that were outlined in the Department's 2009 Green Paper, "Strengthening Local Democracy"? That document mentioned police strategies, fire and rescue authority plans, council delivery of education and wider issues that were not related to local area agreement targets. Given that the Bill follows on from that Green Paper, will it be consistent, to all intents and purposes, with that document's list of issues?

The Department's press notice on 1 February stated that the scrutiny arrangements "could" mean that service providers were held to account on issues "like" energy companies leaving repairs unfinished, station safety and facilities and the availability of rural bus services. Will the remit extend to local matters that have not occurred but might do, such as a potential post office closure, or a potential change? People are often concerned about such change before it occurs. Many local authorities will want to scrutinise decisions before they are taken, but the Bill restricts them to scrutinising decisions that have already been taken.

I shall move on, as I do not want to detain the House for too long. The Bill also covers the information that scrutiny committees can require from the relevant bodies and services. An appropriate representative can be required to appear before the committee to answer questions and the organisation can be required to reply to reports or recommendations. We see the merit in that.

Obviously, granting councils a full range of scrutiny powers over local bodies is a step in the right direction, but we need to be careful that the regulations brought in by the Secretary of State do not impose an excessive burden on organisations affected by the Bill. It would help if the Minister told us a little more about the breadth and formulation of those regulations. What criteria might the Secretary of State and the Minister use to determine any limits on these powers? Clause 3(1) talks about committees having information that they "reasonably" require; in Committee, it will be important to talk in more depth about what, in practice, that reasonableness test might be.

The impact assessment accompanying the Bill estimates that the private and public sectors could face an extra £285,000 and £35,000 respectively in compliance costs. Ministers must have made some sort of detailed assessment to come up with such figures, and I should like to know [illegible] that assessment in a bit more detail.

[illegible] now with the issue of having executive council members on the committee. I want to flag up a concern about that, as it seems to go against what Ministers were saying back in 2000, when they brought forward the more dramatic changes to the management of councils. The Bill starts to go back on the distinction between councillors involved in delivering policy and those involved in scrutiny. It would be helpful to hear a bit more about why the hon. Member for Bury, North and the Minister—the Government support the Bill—feel that that is a good move and is worth doing. Will it not undermine the overall structure of accountability, which has proved useful to many local councils? The Centre for Policy Studies was previously concerned that the involvement of executive councils in the scrutiny process would blur the lines between the two functions.

I want to mention scrutiny within councils and the cost to local authorities. Clause 9 requires that officers should be provided with

"such staff, accommodation and other resources"

[Justine Greening]

as are determined by the officer to be sufficient to discharge their functions. The Local Government Association has said that it wants to be left with the ability to make local decisions about how to ensure that scrutiny is well supported within its local authorities. The explanatory notes said that the new powers could cost local authorities £4.5 million, and I am sure that the Minister will confirm that that will come out of their existing budgets.

Given the constraints on local authority budgets at the moment, it is particularly important that local authorities be able to make their own decisions about how they want to ensure that councillors involved in scrutiny can scrutinise well. For many councils, that may well mean more of a focus on developing the councillors' skill sets rather than having support for them. To my mind, that would be no bad thing at all, although it would not necessarily mean the approach to scrutiny and its resourcing that is set out in the Bill, which is too prescriptive in many respects.

The 2008 Centre for Policy Studies survey of local government scrutiny found that there was a slight negative trend in the size of allocated discretionary budgets for scrutiny. Clearly, there is a change of approach among local authorities in respect of resourcing scrutiny. It is important that we work with them to find out how they feel it can best be delivered.

My last point is about joint committees, and I want to issue a challenge to the Minister. The Bill talks about joint overview and scrutiny committees. As I am sure the Minister is aware, those were enacted, as it were, in January this year, but the regulations to enable them to come into being with the powers given by last year's Bill have not gone through Parliament. Given that, technically, the committees do not yet exist, it seems a bit presumptuous that this Bill should extend their powers further. Will the Minister enlighten the House on when those regulations will pass through Parliament, so that joint overview and scrutiny committees can be properly established?

Broadly, we believe that the Bill could move the quality of scrutiny at the local level in the right direction, so we shall not stand in its way. We have some concerns, which I have begun to outline, about the wording and breadth of clauses and how effective they may prove. However, we look forward to working with the Government and the hon. Member for Bury, North in Committee. I look forward to hearing the Minister's response.

10.16 pm

Mr. Nick Raynsford (Greenwich and Woolwich) (Lab): At the outset, I should declare a non-remunerated interest: I am the chairman of the Centre for Public Scrutiny. I am grateful to my hon. Friend the Member for Bury, North (Mr. Chaytor) for his kind remarks about the centre's work and the support that it has given him in preparing the Bill.

I very much welcome the Bill and congratulate my hon. Friend on his choice of subject. All of us in the House are aware of the importance of scrutiny in achieving a range of different objectives. First, it advances good government, on the simple principle that an executive is always kept more on its toes if its activities are properly scrutinised, whether in local government, here or anywhere else. Secondly, scrutiny is a way of identifying opportunities for doing things better—finding innovative ways of tackling problems or saving money by achieving objectives in a more cost-effective way. That has been demonstrated across a range of different scrutiny activities at both central and local government levels. Thirdly, scrutiny can help to identify areas where we could ensure better co-ordination between different agencies, all of which have a role in the delivery of public services. That, of course, is very much the focus of the Bill.

As we all know, we have a long tradition of scrutiny here, but the tradition in local government is much shorter. My hon. Friend has highlighted the progress since the Local Government Act 2000 in the extension of scrutiny and scrutiny powers in local government, including the extension to cover other functions such as policing and health, which has been enacted by subsequent legislation. The Bill is an important further step along the route of extending and embedding the principle of good scrutiny at a local level. I very much welcome it.

The extension of the powers to require evidence and to require people in certain circumstances to appear in front of a scrutiny committee is important. There is anecdotal evidence that in some cases local authorities seeking to scrutinise have found it difficult to secure the attendance of partners or other local authorities with a significant role in the delivery of public services; they have been reluctant to submit themselves to local authority scrutiny. In my view, it is absolutely right that the additional powers should be provided.

At the same time, it is right that the way the legislation is drafted should not seek to impose too prescriptive an approach. One of the strengths of the way scrutiny has developed in local government has been the capacity of individual authorities to be innovative and try approaches slightly different from those of their neighbours. We should continue to encourage that; we should allow the greatest possible flexibility and freedom for authorities to develop not only their own scrutiny functions, but joint scrutiny activities with other authorities and the scrutiny of their partners in innovative ways.

We need to think much more about how to disseminate good practice. My hon. Friend was kind enough to refer to the Centre for Public Scrutiny's annual scrutiny awards and the focus that they are intended to give to spreading good practice and highlighting examples of innovative work by local authorities, on the basis that others should learn from that.

I support all that, but there is a curious gap in the process as far as we in the House are concerned. For all the talk of better scrutiny, I can see no evidence whatever of any Select Committees entering into joint scrutiny functions with local scrutiny committees or seeing the scope for using the evidence that emerges from local scrutiny to support or underpin their work. It is surprising that we operate in two separate silos—central and local government. We are not exploring the scope for better joint working to the extent that we should. Although Select Committees are not covered by the Bill, I hope that in our consideration of the principle of bringing together different public authorities responsible for delivering services and of the impact they have on a particular area, which is very much part of the Bill, we will also consider how we can bring together the scrutiny functions of our Select Committees and those of local authority scrutiny committees and learn from each other's good practice.

Both my hon. Friend and the hon. Member for Putney (Justine Greening) mentioned resources for scrutiny, and I endorse the view that the scrutiny function has to be properly resourced. That is clearly a difficult ask at a time when public funding is under considerable pressure, but it is a false economy to believe that we can cut back on that function, which is a very small part of total local authority budgets, and not have adverse consequences. The potential loss from less efficient scrutiny will be felt over time through less efficient services, as old and perhaps outmoded practices are allowed to continue longer than they should because they are not challenged, as the scope for making savings by doing things better is not identified and as the scope for different public authorities to work better together to make savings in public expenditure is not picked up. It would be a wholly false economy to cut back on scrutiny expenditure at the present time as a way of saving money, because it represents a very small proportion of total local government spending and it is important that the scrutiny function is handled well.

The context of Total Place, an important current initiative, makes that all the more important. Through it we are beginning to understand the scale of total public investment in individual areas. If there is good scrutiny in parallel with that, it will surely help to ensure that we indentify areas in which resources could be better used and those in which there is scope for savings. That seems to me a fertile area for good scrutiny in future.

I welcome the Bill, and there are only two elements of it that I have reservations about, which I shall highlight before I conclude. The first is the exclusion of district councils in two-tier areas. The Local Government Association has raised this issue. I can understand the argument about the need to avoid unnecessary duplication, but excluding district councils entirely is using a sledgehammer to crack a nut. Surely it would be better to have a protocol arrangement to ensure that there was no duplication. If a district council in a two-tier area intended to set up scrutiny of a wider range of other authorities, it should first be required to consult the county council and other district councils. There should also be an obligation to set up a joint scrutiny committee or to work in collaboration to avoid the problem of duplication. That seems to me a much better approach than simply debarring district councils from being involved in the scrutiny in question in two-tier areas.

Secondly, clause 8(3) raises a difficult constitutional issue. Proposed new section 21(9A)(a) of the Local Government Act 2000 would allow executive members to be members of scrutiny committees, provided that they were not scrutinising the executive itself. The hon. Member for Putney raised that concern. I believe that when she looks at the *Hansard* reference, she will see that she referred to the Centre for Policy Studies. I guess that her brief said "CPS"—I think she meant the Centre for Public Scrutiny.

Justine Greening: Exactly.

Mr. Raynsford: I am grateful for her kind reference to it. It is concerned about the matter, as am I, because there is a slippery slope and an erosion of the principle of the separation of powers between scrutiny and executive. If that is damaged, it could have serious consequences for the integrity of the scrutiny function. It could well also create a difficult relationship between executive members and people in outside bodies if the latter were talking to them as partners one day and subject to scrutiny by them the next. The partners themselves would not have the option of scrutinising the working of the executive. It is unfair to outside bodies that need to work in partnership with executive members of local authorities to be subject to scrutiny by them as well. For that reason, as well as that of the separation of powers, I do not believe that we should go down that route. I ask my hon. Friend the Member for Bury, North, and the Minister to have a further look at that.

My final observation is that we frequently hear from local government the complaint that back-bench members of local authorities, whose role is essentially scrutiny, are not accorded the same status and standing as executive members. Frankly, anything that we can do to boost the morale and status of back-bench and scrutiny members is good, and we certainly should not erode it by stating that executive members can sit on scrutiny committees as well. I hope that that will be reconsidered.

With those few reservations, I give my strong support to the Bill. It will help to take forward the process of scrutiny in local government and the search for more effective delivery of public services when a range of bodies are involved. I wish it every success and support its principles.

10.26 am

Matthew Taylor (Truro and St. Austell) (LD): First, I welcome the comments of the right hon. Member for Greenwich and Woolwich (Mr. Raynsford) and endorse pretty much everything that he said: I will not repeat it, because he put it extremely effectively and has a great deal of knowledge in this area.

My broad position is that I very much welcome the Bill. It makes real some of the issues covered by Total Place, which the hon. Member for Bury, North (Mr. Chaytor) referred to. It seems to me that a core function of local council representatives is to raise issues of concern to their community. The scrutiny process is a very effective way of doing that, and the Bill will provide them with some real authority in that process. For those reasons, I wish it well and the Liberal Democrats will support it.

I have one issue to raise, which I have touched on, and it is one of principle. We are discussing scrutiny, and the role of the House is to scrutinise the Bill. The fundamental question is which bodies are to be scrutinised, and it does not specify that. We can examine the Government's consultation, which lists the type of organisations that it believes may be subject to scrutiny, but we have no confirmation that they will. Nor do we have any real idea of whether that is the final list or whether it is to be extended much further.

Even if the current Minister were to outline his intentions in relation to which bodies will be covered, a future Minister might come to a different view. The matter would have to come back to the House and be subject to debate, but we all know that the processes of resolution here are brief, that not many Members are involved and that generally speaking, whatever the Government want goes through. That is the reality of the process. It is a real shame that we have not been given that information for today's debate, and I hope

[Matthew Taylor]

that it can be brought to us in Committee. When legislation is brought before the House, it helps when Ministers talk about what they believe will fall within its scope, because that gives direction on what might happen in future and arms any future colleagues—not me, but there might be others—who challenge exemptions in the regulations or elements that might be missing, by giving them a clear steer at this stage in the legislative process. The hon. Member for Bury, North has done a great job in bringing the Bill forward, but I hope that he will seek clarity from the Minister and the Department on that point, and that the Minister will give it—if not today, then in Committee.

I should also apologise, because I have a brief engagement that I have not been able to get out of, so I shall be escaping in a moment. I might not be here for the reply to this debate, but my hon. Friend the Member for Mid-Dorset and North Poole (Annette Brooke) will be. That is a discourtesy to the House, but I am afraid that it is not one that I can avoid.

10.31 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Mr. Ian Austin): I congratulate my hon. Friend the Member for Bury, North (Mr. Chaytor) on his success in the ballot and on all the effort that he has put into bringing forward his proposals.

I also thank all the other Members who have taken part in this debate. My right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) is an acknowledged expert on the issue, as he is on so many other local government matters, and not just because of his distinguished ministerial career, but because of his career before he entered the House and his work with the Centre for Public Scrutiny, for example. I thank the hon. Members for Putney (Justine Greening) and for Truro and St. Austell (Matthew Taylor) for the constructive, detailed and expert analysis that they have brought to bear on the issue. I also thank the hon. Lady for her constructive and non-partisan tone in discussing the proposals.

I am pleased to confirm that the Government support the Local Authorities (Overview and Scrutiny) Bill, which my hon. Friend the Member for Bury, North has introduced. His proposals are in line with some of those set out by my right hon. Friend the Secretary of State for Communities and Local Government in the "Strengthening local democracy" consultation, published in July last year. The Bill provides the framework to extend the reach and influence of local authority scrutiny further. My hon. Friend set out what the Bill does in practical terms. I do not intend to repeat what he said, but I shall try to respond to some of the points made in the debate.

As my hon. Friend said, there is an increasing appetite for more localised and personalised services, greater transparency and more accountability. Consumers know more about the services that they want to be provided with. They expect greater responsiveness and higher quality, and they have every right to do so. My hon. Friend's proposals attempt to answer the increased demand for accountability, and ensure probity over the use of public resources and equity in access and opportunity.

Local government is a major route through which the voice and interests of local people, through their elected representatives, can be brought to bear on the national and local institutions that provide local services.

People expect their council to be at the heart of decision making in the area—the one place that they ought to be able to go for information on the full range of services provided, and the place to which they can look to influence decisions on how those services are delivered. When people vote, they should be confident that they are electing someone who will take a real interest in those issues locally and act on their behalf. The council's scrutiny function is one way of delivering that accountability locally.

The new powers will extend scrutiny to a wider range of bodies to address cross-cutting issues locally to best effect, and will provide local authorities with greater expertise and more information. In the first instance we intend to apply the new framework to existing local area agreement partner bodies. That will remove the current limitation on the scrutiny of activities related to LAA matters only, recognising that the local contribution and activities of partner bodies—such as Jobcentre Plus, and fire and rescue authorities, to name just two—cut across the full range of local issues that arise, and are not limited to the delivery of priority targets in the LAA. We also intend to extend scrutiny to two new sectors: energy and transport.

We recognise, as we did when scrutiny was first extended to cover LAA partners, that those who will become subject to scrutiny for the first time might have concerns about what that will mean for them in practice. They will want to know how much time it will take up, how much it will cost and whether they will be required to attend hundreds of scrutiny hearings across the country. We understand those concerns, and that is why we intend to use the regulation-making powers in the Bill to put in place safeguards and procedures to ensure that the exercise of the new powers by councils does not impose a disproportionate burden on bodies that are subject to scrutiny.

My experience as a councillor in Dudley in the 1990s left me with firm views on the vital role that well-informed, fully engaged councillors can play as champions of their community and the residents they serve. At their best, councillors are out and about in the communities that they represent; local, available and in touch; talking to local people; engaged with community groups and voluntary organisations; understanding in detail the services provided in their wards—truly in touch with local people. That is the sort of councillor that local communities need if greater scrutiny is to work effectively, because local scrutiny will be at its best when led by councillors who have their finger firmly on the local pulse and when driven by local people to examine the issues that matter to them. For those councillors sitting on scrutiny committees, the new powers are therefore significant.

However, with additional power comes greater responsibility, because scrutiny is not about confrontation or criticism for the sake of it, but about constructive debate and challenge where necessary. It is not about taking over all local services or being a substitute decision taker for external bodies, but about influencing the decision-making process and ensuring that decisions

are properly informed and properly taken. Scrutiny is about contributing positively to policy development across the full range of services, bringing partners from all sectors together to ensure that residents are getting the best deal. In recent years the council scrutiny function has taken on a higher profile, and is now used not just to increase openness and transparency, but to improve the services that residents receive. Councillors and scrutiny committees should engage with local people to ensure that scrutiny looks at the issues that matter and to select topics for review so as to ensure that they scrutinise the subjects that local people are concerned about.

The hon. Member for Putney raised issues of cost, as did all right hon. and hon. Members who spoke. Let me try to deal with some of those. An impact assessment has been prepared on the basis of local authorities continuing to work within their existing budgets and therefore continuing, as at present, to prioritise issues of local concern for scrutiny and review. We therefore do not consider part 1 of the Bill to have any major financial implications for local authorities. Any increased cost arising from part 1 will instead be limited to the additional compliance costs on external bodies undergoing scrutiny, in providing information to committees or attending meetings, for example. The Government estimate that the increased annual compliance costs could be up to £480,000 each year, with up to £427,000 falling on private sector bodies and up to £53,000 falling on public sector bodies.

The Bill also includes provision for scrutiny resources. Section 21ZA of the Local Government Act 2000 requires local authorities to designate one of their officers as scrutiny officer. That officer's functions are to promote the role of the authority's overview and scrutiny committee or committees; provide support to such committees; and provide guidance and support to members and officers of the authority, and members of the authority's executive, in relation to the functions of overview and scrutiny committees.

The Bill will require local authorities to provide their designated scrutiny officers with such staff, accommodation and other resources as they consider sufficient to discharge their functions. That mirrors the provision for monitoring officers in the Local Government and Housing Act 1989. The new requirement might result in additional costs for some authorities—costs that the Government estimate will amount to no more than £4.5 million each year. The Government are committed to ensuring that any new burden falling on local authorities is funded. The cost will therefore be fully and properly funded by the Government, so that no additional pressure is placed on council tax bills.

As I said earlier, my right hon. Friend the Secretary of State believes that the Bill takes forward key proposals of the "Strengthening local democracy" consultation and will provide a flexible framework to enable councillors to scrutinise a wider range of bodies and improve the services that residents receive.

10.38 am

Mr. Chaytor: I thank all right hon. and hon. Members for their contributions to this debate. When I spoke about the all-party consensus on the need for more decentralisation and localism, and more transparency and accountability, I could not have imagined that that would be so perfectly reflected in the various contributions that have been made. Things have moved on significantly in recent years, in terms of the main parties' attitudes towards local government and their agreement on certain key principles.

I thank the Minister for clarifying so many points of detail and for giving an honest and direct indication of the Government's thinking on how certain regulations might be implemented.

The hon. Member for Truro and St. Austell (Matthew Taylor) was exercised by the issue of the list of new bodies and agencies not being included in the Bill. A large number of bodies and agencies were mentioned during the debate, and there would not necessarily be consensus at this stage that all of them should be included in the list of designated bodies. That provides the best case for leaving this matter to be set out in regulations. I accept fully, however, that that would place the matter completely in the hands of this Government or a future Government. I hope, therefore, that the Minister will take on board the suggestion by the hon. Member for Putney (Justine Greening) that a draft list be published in advance of the regulations. That would provide time for further debate and consultation, and for the building of consensus.

Matthew Taylor: Let me make it clear that I was not necessarily suggesting that the list should appear on the face of the Bill. I accept that consultation needs to take place and that the timing might not work in that regard. I also accept that such a list could be over-restrictive. I hope that the Minister will listen to what the hon. Gentleman has just said on this point. A draft list put out to consultation would allow proper scrutiny and a debate on what was appropriate.

Mr. Chaytor: The hon. Gentleman makes his point extremely well. I am sure that the Minister will have listened carefully to it.

The hon. Member for Putney made a number of detailed points. She called for further clarification and raised questions about definition, all of which were important and many of which can be discussed further in Committee. My right hon. Friend the Member for Greenwich and Woolwich (Mr. Raynsford) drew two important points to the attention of the House. He mentioned the potential conflict of interest involved in dismantling the separation of powers, and the implications for the role of executive members. Parliament is not in a position to insist on an absolute separation of powers in local government because we ourselves do not have, and have never had, an absolute separation of powers. There is a case, however, in specific instances involving certain subjects of inquiry, for allowing executive members to be members of the scrutiny panels.

Furthermore, many local authorities are now revising the original model of scrutiny panels, which involved one executive committee and any number of scrutiny panels. They are setting up special sub-committees, special working parties and special task and finish groups. The expertise of an executive member on a specific task and finish group, which bears no relationship to his executive functions, could prove to be extremely useful. I accept completely, however, that this matter needs to be explored further. The question of district councils in two-tier areas was raised. I believe that there

[Mr. Chaytor]

is ample scope for those smaller district councils to work co-operatively with their county councils and to set up joint structures of one kind or another.

I thank all right hon. and hon. Members for their contributions to the debate, and I am grateful that the House has achieved this consensus. I look forward to the Bill's progress into Committee.

Question put and agreed to.

Bill accordingly read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

Anti-Slavery Day Bill

Second Reading

10.43 am

Mr. Anthony Steen (Totnes) (Con): I beg to move, That the Bill be now read a Second time.

Thank you, Mr. Deputy Speaker, for giving me this opportunity to raise a matter that I am sure will have the support of the whole House. I am grateful to see so many hon. Friends and hon. Members here today who have been enormously supportive of my campaign to draw attention to the extent of human trafficking in this country.

As I have a little time, I shall make a little speech. I hope that it will be helpful to the House to reflect that William Wilberforce headed the parliamentary campaign in this House against the British slave trade for 26 years before the Slave Trade Act was passed in 1807. His later campaign resulted in the Slavery Abolition Act 1833, which—it was thought—abolished slavery in most of the British empire. Today, however, more than twice as many people are in bondage around the world than were taken in chains during the entire 350 years of the African slave trade. Despite the abolition of slavery, modern forms of trading in human beings continue, whether for sexual exploitation, forced labour, domestic slavery or organised crime.

It is impossible to gauge the numbers involved in human trafficking, because the crime takes place unseen and undetected. It is often not identified, or, in other cases, mis-identified. However, a conservative estimate puts the number of trafficked victims in the world at any one time at 800,000. That is the figure from the United Nations. We also know that human trafficking affects every region of the world, and that it generates tens of billions of dollars in profits for criminals each year. It is now apparently the second largest and second most lucrative criminal activity after drugs. It has jumped up the list, year after year.

In the United Kingdom, many thousands of individuals are bought and sold as commodities and forced into modern-day slavery. This is commonly known as human trafficking. A little later in my speech, I propose to tell the House of the devastating experience that I had yesterday, when I met a girl who had been trafficked into the UK and treated unbelievably badly. The experience is red hot in my memory, and I shall share it with the House in a moment. The Home Affairs Select Committee's report last year suggested that at least 100,000 people were trafficked into the EU each year. That figure is from the European Commission.

Today, in the UK, the majority of indentified victims are women and girls. They come from poor, unstable countries where there are few opportunities for education or employment. Eastern Europe continues to be a fruitful source of women trafficked into this country. In fact, if we look at the map of Europe, we can see that the former communist countries of eastern Europe are the source countries of women and children coming into the more prosperous western countries. Denmark, Holland, Britain, France, Spain and Italy are the countries that receive these women from the source countries—Lithuania, Poland, Romania, Bulgaria, Belarus, Ukraine, Russia and Moldova, among others.

The evidence of convicted traffickers suggests that the worst offenders in the trafficking business are Albanians, Romanians, Russians and those in the Balkans; they are in the lead in people trafficking. We might not get the numbers immediately, but they are considerable. We are talking about tens of thousands of traffickers who are part of this criminal network.

Trafficked children are highly vulnerable in their home country, as we have seen in Haiti recently, and they might already have been exploited and abused before they are targeted by traffickers. Victims can be deceived by false promises of opportunity or coerced into working in slave-like conditions. In some of the really poor eastern European countries, there is absolutely no work, no opportunity and no hope for many of the young people living there. I know this from my experience in Chernavoda in Romania, where the girls and boys leave school at 14 or 15, and there is nothing for them to do. The boys tend to become pimps, and the girls tend to be trafficked or become prostitutes. That is not a way of life that we would accept, but in towns and counties such as those—which have no opportunities, even though they are in the EU—the girls and boys have terrible lives at a very young age.

Some of the women I have met have been sold by their parents. I met a girl of 21 in Rome who had been sold by her parents to her uncle for £5,000 in Albania. She was on the streets in Rome at 16. I have met her, I know her and I know her problems. I have spoken to her through interpreters over many days. This is not an academic problem; it is very real. The street value for a 15-year-old girl, as long as she is a virgin, it is between £8,000 and £12,000—that is the money exchanged to buy somebody. The price of a woman goes down dramatically with age; when she reaches 30, she is worth only £500. These people are treated like second-hand cars; they are traded in the same way.

At a conservative estimate, there are at least 5,000 trafficked victims into the UK each year, and the Home Office states that approximately 360 children are trafficked into and within the UK each year. There are wild remarks about the figures really being as high as 25,000. There could be that number—we do not really know—but I suspect that the Home Office conservative estimate is probably more like it.

Women victims are forced to work—many against their will—in brothels, saunas, massage parlours and private houses; children, other than those who are sexually exploited, are, like Fagin's children, on the streets. As you will know, Mr. Deputy Speaker, I am fortunate enough to be involved in the parliamentary police scheme, which has allowed me to concentrate on seeing human trafficking first hand in London with the Met. In fact, I think that I am the oldest policeman on the street; I have been working in the off-the-street Marble Arch area and met a number of trafficked children.

Over the last two years, I have been on police raids and seen children at 6 o'clock in the morning who are just being prepared for their work during the day. Of 1,017 children, most are known to the police, many of them are under 10, so prosecutions cannot be launched. Some have been identified as shoplifters and pickpockets—those are their tricks of the trade—but the biggest category is automated teller machine theft. I am told by the police superintendent in charge of the Operation Roma—no, I mean Operation Golf, although it is concerned with Roma children—that a really clever child can earn traffickers up to £80,000 a year.

Forced labour on farms and the land is another category. This is just becoming a visible issue, thanks to the work of the UK Human Trafficking Centre, which the Home Office supports. It is also finding that large numbers of men involved in work similar to that of the Chinese cockle pickers are living in the most appalling dormitory-like conditions. They are paid virtually nothing, having been duped into believing that if they gave £3,000 or £5,000 to the traffickers, they would secure a very good job in Britain. Construction workers and those involved in the hospitality and care industries are other groups that are currently exempt from the Gangmaster Licensing Authority controls.

The number of women in domestic slavery continues to grow. Many hundreds are identified each year as suffering abuse. This is particularly true of those employed by foreign nationals in the consular service of their own country in the UK. The worst cases of abuse apply to those who are effectively held prisoner in their employer's home, receive no pay and are expected to be available seven days a week. What is particularly significant here is that all these domestic slaves have their passports removed. Many of them do not speak English. The idea of their escaping, which to us would be normal, is impossible for them even to contemplate. They are working in the homes of consular diplomats in Britain and are treated as slaves. As I say, their passports are removed—an issue I discussed with the Minister in connection with the all-party trafficking of women and children group; I would like to thank him for his sympathetic and understanding approach to this problem.

As an aside, anyone coming here as a domestic worker—one of the 18,500 people granted domestic visas every year—is able to move to another employer if the present employer treats them badly, but anyone working with a visa for the diplomatic or consular service cannot move. All they can do is go back home, which is difficult for people from third-world or poor countries or from some of the middle east countries because the problem is that if they go back, they then get marked as people who have fallen out with their consular service. Many girls in these circumstances are trapped in the kitchens of the consular service, living there seven days a week and having to sleep in the kitchen as well. The conditions are very bad.

Human traffickers use many physical and psychological techniques to control their victims, including the use of violence or threats of violence against the victim or the victim's family, leading to isolation from the public, isolation from the victim's family and the community. There is a language and cultural barrier; there is shame and control of the victim's possessions; and there are confiscations of passports, as I mentioned, and other identification documents. There are constant threats of arrest, deportation or imprisonment if the victim attempts to reach out for assistance or to leave.

Not all policemen are trained or are aware of the trafficking phenomenon. In this country, thanks to the rising profile of this issue, that understanding is getting better. This is one of the reasons why I believe we need a national anti-slavery day to make people more aware. In many countries of the world, particularly in eastern Europe, there is tremendous corruption among the

[Mr. Anthony Steen]

police and the border guards. Money is passing between gangs and the police and border guards, which makes it difficult for these trafficked people to get a sympathetic or responsible response from the authorities when they turn to them for help.

The POPPY project in London is a shelter project given considerable funding by the Home Office, to which I pay tribute for its foresight in this matter. It offers practical help towards that project. I have been greatly assisted by the Minister and his predecessors, as well as by non-governmental agencies that receive Government support. It is to their credit that much of the work of the all-party group has made such progress. Between March 2003 and April 2009, the POPPY project received 1,233 trafficked women—a large number—over the age of 18. The POPPY project does not take in any girl under 18; that is for the local authorities to deal with through their care home services. The POPPY project is a very professional and extremely skilled organisation. Although I have occasionally had one or two problems with it, I none the less recognise the invaluable help it gives to trafficked victims.

Not only has it dealt with 1,233 referrals of trafficked women over 18, but it has also dealt with 200 to 300 victims of trafficking for domestic slavery. The non-governmental organisation known as Kalayaan, to which I also pay tribute, is run by some dedicated younger people. Domestic slaves have been able to seek its help in coping with the terrible problems they have gaining justice and recognition of how they are treated. I pay tribute again to Kalayaan and other NGOs for tackling domestic slavery and raising awareness of it.

POPPY has long-term Government funding for 54 safe accommodation beds for victims of sexual exploitation or domestic slavery. It is important to note that those beds are full. When I tried to get a girl trafficked for domestic slavery—this was a bad case—into POPPY, I was told that it was full. I would not have it; it managed to find an additional space. However, this is the only official body in London; none is officially established in other towns. If we established similar centres in other major cities, I am sure that they, too, would be full. There is a much bigger problem in this country than I would like to admit. It is going underground, so we will find it only if we provide shelters for these very unfortunate people. There is shortage of shelter in a country that has proved to become a magnet for traffickers.

ECPAT UK—End Child Prostitution, Child Pornography and the Trafficking of Children—co-ordinates a coalition working for the protection of children's rights, including Anti-Slavery International, Jubilee Campaign, the National Society for the Prevention of Cruelty to Children, Save the Children UK, the Children's Society, UNICEF UK, and World Vision UK. According to ECPAT—which, incidentally, does very good work for the all-party group—about 60 per cent. of suspected child victims in local authority care go missing and are not subsequently found. Unlike POPPY, which caters for those over 18, local authority care homes cater for the under-18s. They have no security, because if bars were installed, those in charge would be accused of running a prison. Children go into the homes and then disappear. In May 2009, *The Guardian* disclosed that a report by the UK Borders Agency had revealed that since March 2006 at least 77 trafficked children had gone missing from a home operated by the London borough of Hillingdon—presumably the Heathrow outlet.

I spent some time at Gatwick with the all-party group. I pay tribute to Lady Butler-Sloss, one of the vice-chairmen of the group, who accompanied me to Gatwick to study what was happening there. We found that the children who arrived at the airport from China, Vietnam and other countries were quite well trained. Many arrived without a passport. How had they got on to the plane at the other end? Either they had chewed the passport during the journey so that by the time they arrived at Gatwick there was no passport left, or they had put it down the loo. Alternatively, they had travelled via another country, and ended up not at Gatwick but at Bristol or Manchester.

These children then claim asylum. They cannot do much else. Once they have used the word "asylum"—if they do not speak another language—they are shunted into a children's home such as the one in Hillingdon, near Heathrow. They have a mobile phone, or they have been told where they will be going. The traffickers are very much ahead of the game, whereas we are really quite pedestrian.

Once the children have arrived at the home, they disappear within hours. Manchester's director of social work, who co-ordinates social workers, says that the pattern is well established. The social workers are in difficulties. They cannot apprehend the children, and, once they have gone missing, there is no track of them. No one knows who they are. They may come from China or Vietnam, and we know that the Vietnamese will end up managing cannabis factories, but there are many children in this country whose identity and whereabouts are unknown to us. They could have been murdered, and we would not even know.

Between 1 April and 31 December 2009, 527 potential victims of human trafficking were referred through what is known as the national referral mechanism, a new mechanism established under the Council of Europe Convention on Action against Trafficking in Human Beings which provides a way of identifying trafficked people. That is done by the UK Border Agency and the United Kingdom Human Trafficking Centre. At least 145 of those referred between April and December were children. Since 1 April, accommodation and support has been provided for 68 people identified as victims of trafficking. Between 1 May 2004 and 22 October 2009, 118 people were convicted of trafficking for the purpose of sexual exploitation, and seven were convicted of labour trafficking.

I do not think that those figures are good enough. What is the problem? The problem is that first the police must find victims, and then the victims must be prepared to give evidence against their traffickers, who have been brutal to them. The victims, however, fear that if they do give evidence, their families back home will be threatened. I shall describe a case history in a moment, because we have a little time—although I know we have not too much time, Mr. Deputy Speaker. The traffickers do, in fact, threaten not only the mothers of the girls involved but, much more significant, their sisters and brothers.

Because the victims do not want to give evidence, the police cannot really prosecute. They certainly cannot prosecute for human trafficking. It is to the credit of the

Director of Public Prosecutions that he seems to be moving into the right gear. It has taken him some time, but I hope that he is now moving out of the first gear and into the second and third, because we need to speed things up. The traffickers need to be arrested, not just for trafficking but for all the other offences that they may be committing. We are very slow in this regard. Far more traffickers have been apprehended in Romania. Italy is particularly good, and Austria even better. If we are to make this country an unfriendly and unhelpful place for traffickers, as the Prime Minister has said repeatedly that he wishes to do, we must be much sharper about apprehending them and ensuring that judges give them really awful sentences, which they often do not do at present.

I recently visited a high-security prison in Bucharest. There were many hundreds of traffickers behind bars, both men and women. It is not only men who are traffickers. There is usually a man and his assistant, who is a woman. They are a unit—an item. The woman goes to prison so that the man can continue his work as a pimp or an organiser of trafficked people. I met a number of women in that prison who were doing time for the men with whom they were living.

Many eastern European countries, having thrown off the yoke of communism, went in quite the opposite direction. The free market and criminal gangs moved in quickly to seize new opportunities, and the police and the border agencies have become tied up with criminal mafiosa activity. Last August, an article in *The Times* reported the rise of systematic trafficking of children in the United Kingdom by foreign criminals to defraud the British benefit system. I was involved in identifying that activity when I accompanied the police on raids in east and north London. I wish they would not start so early in the morning!

During an operation in August, the police found evidence of one suspected crime involving more than £100,000, including a backdated cheque for £24,000 paid to a family by the Benefits Agency. In another case involving trafficked children, a gang is believed to have forged documents for the purpose of at least 500 claims worth £4.5 million. In all, some £300 million is thought to be involved in benefit frauds.

Let me explain how the system works. These people are European Union nationals. A couple will bring in perhaps three or four children claiming that they are theirs, sometimes with forged passports. Ultimately, eight to 11 children may be found living in the same house. A house that I visited during a police raid in east London conveyed no sense that it had been lived in other than by the nine or 10 children—in one instance, there were 12—sleeping on the floors with rugs, upstairs and downstairs. It was quite a Dickensian picture. They were ready to leave at a moment's notice, because they were aware that the police were circling.

We arrived soon after 6 am. Having lived under the communists, the people in the house were used to the arrival of authorities such as the police. They had all their documents, with them, beautifully prepared. There was not one possession that was not packed into a bag. It is likely that we had arrived the day before they were due to leave: such people move on constantly. We found letters from a fake company, probably Romanian or Bulgarian, inviting the "owner" of the children to work for him as a scrap metal dealer. Once he had been here for a year, he would be able to claim benefits for the children. We took a number of children back to the station, along with their parents or, in some cases, their uncles and aunts.

If you go to Slough railway station first thing in the morning, you will see gangs of kids turning up and waiting for instructions. All these things are happening in this country, and they are visible to those who know where to look. Taken together, they form a picture which some of the more intelligent and interested police officers are identifying as the involvement of kids in human trafficking.

Thanks to the Minister and the Home Office, they are beginning to realise the significance of this, but their approach to it needs to be better focused.

To the escalating problem of children trafficking and benefit fraud, one must add what is happening in the cannabis trade. This problem is not peculiar to Britain, but we seem to be ahead of the game in recognising it. In Britain, we have Vietnamese children tending plants in terraced houses on the outskirts of our large towns. I do not want to mention specific areas of London, but this is happening in all the suburbs, in what look like normal houses. A couple who are part of a gang rent the house, paying cash. To anyone glancing through the front window, the interior looks like an ordinary drawing room, but upstairs there is a cannabis factory. They have ripped out the electrics and the water meters, and they have put in high wattage bulbs, so that the rooms are very hot, and in them, cannabis plants are being tended by young Vietnamese boys, who understand how to do so.

Let us talk about numbers. The first investigation into cannabis factories was undertaken in 2004, so we have known about this problem for about six years, and 350 factories were found. According to recent police intelligence, 2,200 cannabis factories have now been uncovered in Britain, and a sizeable number of Vietnamese boys have been rescued, and other people have been prosecuted. There are up to 300 cannabis factories in London alone. Every time the police raid one, another one pops up, and even the next-door neighbours do not know about it, because to them it merely appears that a nice Vietnamese couple are living quite normally in the adjacent suburban house.

Human trafficking is everywhere. It is not just in the cities. Let us consider the case of a 19-year-old Czech woman who was flown into Bristol airport believing she would work in a gym or a similar environment; she mentioned a four-star hotel in Paignton—I think we have only one of them. She came through immigration control at the airport perfectly legally, as she is from the Czech Republic. Someone collected her from the airport, and she then found herself in a small private brothel on the edge of my constituency in south Devon—as I have said, this is not just an inner-city problem. She was appalled to discover that she had been placed in this situation. That night, five men assaulted her. She tried to escape—she ran out at about 4 o'clock in the morning. It so happened that somewhere in Paignton was open at that time—a nightclub. The traffickers had chased her, but she grabbed hold of the bar and refused to move. Thanks to the responsible nature of the nightclub owner, the police were called.

We must give credit to the Devon and Cornwall constabulary. It is not used to handling trafficking cases, but it took this case on and dealt with it magnificently.

[Mr. Anthony Steen]

arresting the two Czech women running the brothel. Nobody knew about its existence; it was in the constituency of the hon. Member for Torbay (Mr. Sanders), but he did not know about it either.

The girl agreed to give evidence against the traffickers, and she was returned to the Czech Republic. The police had to pay for that; because the Home Office will not cover such costs for an EU national, the police had to find the money out of their own funds. As she had agreed to give evidence, the two women who had been running the brothel agreed to plead guilty and were sentenced. However, although I mean no disrespect to the judge, I must say that he gave a really rather weak sentence. The judiciary, as well as the police, need to be trained to realise that trafficking is part of the scenery in this country and that it needs to be severely punished.

People trafficking is, in essence, about people being forced to do things against their will. Victims are deceived or duped into a situation that is not what it at first appeared to be. It is the criminal world misleading, using or exploiting the most vulnerable, the poorest and the most uneducated people for gain. It is all about pounds and euros. It is a wicked practice that people thought had died a death in the 1800s, when Wilberforce passed his legislation in this place. It has not died a death, however. There is now a new, more virulent, form of it in this country. That is confirmed by Home Office research, which estimates that the total social and economic cost of trafficking was £1 billion in 2003, so we are talking about a sizeable sum of money.

To combat human trafficking in the UK and globally, the British people, Parliament, local government, our other institutions and quangos, and the private as well as the public sector must be made aware of the realities of human trafficking and must be dedicated to stopping this contemporary manifestation of slavery. That is my principal purpose in proposing an anti-slavery day.

I do not want to speak for too long, but neither do I want to lose this opportunity to talk about this subject, as this may be one of my last speeches in this place. I want to give an account of a case I addressed yesterday with a firm of solicitors. It is an utterly horrific story that illustrates the points that I have been making. The name of the girl involved and her whereabouts will be kept secret, but I can say that she exists and she lives in London at a secret address. For the purposes of her story, I shall call her Gabriella. She was 20 when she was found, but she was trafficked from Moldova at 14. She was forced into prostitution at the age of 14, and did not finally escape until she was 20. She has been through so many horrific experiences in so many countries during that time that she cannot remember the exact dates and details of everything that happened.

When Gabriella was 14, she went for a picnic in the forest with her best friend and two older men in their late teens. When they were in the forest eating their picnic, Gabriella was very aware that the young men were using their mobile phones, and she overheard one saying, "We've got the girls here. When will you come and collect them?" When she tried to escape with her friend, she was hit against the side of her face; a piece of her ear is now clearly missing. They were going to rape her and her friend, but one of the men stopped that, saying they needed to remain virgins as they would make better money. She lost consciousness when they hit her with a Sten gun, and when she woke up she was on the Romanian border. She was then driven by two men to a flat in Romania. She was too scared to speak—she was 14. She stayed overnight there. They were given dark clothes to wear. The two men were with them the whole time. They walked to another country, which she thinks was Hungary. They went across a river in an inflatable dinghy, blindfolded and with hands tied, and during the journey they were told to lie in the middle of the boat.

Gabriella was driven to an apartment; she is not sure where it was. There were five other girls there, one of whom spoke Russian, as does Gabriella. She did not understand why she was being talked to and looked at in the way that she was, but she realised this was a transit point for girls. There were 15 girls in the house, and the other people there were weighing up how much she might be worth. She spent a number of days in that flat, and then was told she would walk to Italy. She is not quite sure whether she was in Slovenia or another country, but they walked through another forest, and were picked up by a car. She was put in a lorry. She then arrived in Rimini, Italy, where she was sold to an Albanian. She was then taken to Milan, where she was sold to another Albanian, and she had to work on the streets of Milan between the ages of 14 and 16. She repeatedly tried to escape but was always apprehended.

Finally, the gang who caught her said, "To teach you a lesson, we're going to take out one of your front teeth with a pair of pliers." When I met her yesterday, I had already read about that, and the first thing I realised was that one of her front teeth was stuck back in place. They then threatened to murder her. They tied a rope up a tree and put the noose around her neck, and said, "If you try to escape again, we'll hang you." The girl that she had left the forest with—her 14-year-old friend—was murdered by the gang. Gabriella was sold to one gang and the girl was sold to another.

People may say, why do the parents not do anything? Gabriella's mother is poor—she comes from a backward agricultural community in Moldova. She went to the police, who laughed at her. We must realise that the police in many countries are corrupt. She was worried about the 10-year-old sister of Gabriella she is bringing up, and the son. There have been threats on the family, including the brother, who has now gone to Russia, and the other girl is living alone with her mother. The mother is desperately worried that that daughter will be threatened and taken away as well.

The story goes on, and it gets worse. Gabriella got pregnant, as happens in these cases. She could not look after the daughter she gave birth to—she does not know who the father is—who had to go back to the mother to be looked after. Gabriella kept trying to get back to Moldova, but whenever she went back there she was re-trafficked, which constantly happens. We talk about this issue in the House and to people in the field, and this case illustrates only too well why it is so important to bring people's attention to the appalling trafficking disease that has hit western countries.

Fortunately, Gabriella has been rescued. I pay tribute to the POPPY project and to her solicitors, who have been having problems. The Minister knows about this because I mentioned it to him earlier. The trouble is that the girl now has refugee status because of her harrowing

experiences, of which I have described only some—I have 20 pages of them. She has been rescued and is living secretly in a flat. She is so terrified that she will not come out of the flat. She is a most delightful person, on the face of it, but she is experiencing terrible psychological trauma. She is on the verge of suicide because she is desperate to see her daughter. She cannot go to Moldova to see her because she thinks she will be killed by these gangs.

The UK Border Agency, for which the Minister is responsible, has assured me that there is no problem at all with getting Gabriella's 6 or 7-year-old daughter into Britain, which is all Gabriella is living for. I got hold of the director of the UKBA last night, who assured me that it entirely agrees with my assessment: the child should be reunited with the mother as soon as possible. However, I was told that it was a matter for the Foreign and Commonwealth Office. This is the problem one constantly gets in this place. The FCO says it is ready to issue a one-way visa for the child to come to Britain. She needs a visa because she is a young child and cannot get a passport. The parents could not sign one, and in any case Gabriella is here.

So now, the FCO is involved, and I hope that the Minister, when he winds up on this very short debate, will say something about this case, which is one of the most horrific I have ever seen. From the age of 14, Gabriella has been bludgeoned by gangs. She has a chance of a new life here. She is an intelligent girl and I hope the Minister may feel that he can help in some way to reunite the family.

That was a little aside. I just wanted to mention this case to the House and why it is so important to have an anti-slavery day, so that it can be constantly remembered that we have modern-day slavery in this country.

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. As it is on the hon. Gentleman's own admission that what he has just said was an aside, I hope he will not encourage the Minister to go into that issue in detail, because this is hardly the proper occasion. I have allowed the hon. Gentleman very considerable scope in introducing what is in fact a specific Bill. The House has obviously been stunned, to some extent, by what he has had to say, but we ought now to be reaching the point of examining the prime purpose for which he is seeking to introduce this legislation.

Mr. Steen: Thank you, Mr. Deputy Speaker. It is wonderful how both our minds were working in the same way. I can assure you that, at the very point that you stood up, I was just about to move on. I am most grateful for that guidance, which was entirely appropriate and I entirely accept what you say.

Although our Parliament has enacted good laws in the past 10 years to prosecute traffickers and to assist and protect victims of human trafficking—and, most recently, the Council of Europe convention on action against trafficking in human beings—we need to increase awareness of the issues surrounding human trafficking on the part of those most likely to come into contact with victims. This is essential for effective enforcement, because the techniques that traffickers use to keep their victims enslaved severely limits their self-respect.

Thanks to this Government—we must give them credit for what they have done—we have the Sexual Offences Act 2003, the Asylum and Immigration (Treatment of Claimants, etc.) Act 2004, the Gangmasters (Licensing) Act 2004, the Immigration, Asylum and Nationality Act 2006, the Policing and Crime Act 2009, and the Proceeds of Crime Act 2002. That is all good legislation to deter traffickers, but it has to be implemented, and the police and judiciary are now important in dealing with this problem. Collectively, these laws were passed to criminalise the trafficking of human beings in the UK, reduce the likelihood of exploitation of others and make it possible to recover profits gained as a result of criminal activity.

The UK signed the Council of Europe convention on action against trafficking in human beings on 23 March 2007, ratified it on 17 December 2008 and implemented it recently. We are one of 26 countries that have ratified and implemented the convention. It is the first legally binding regional European treaty on human trafficking. The convention recognises trafficking in human beings as a major human rights issue and seeks to strengthen the legal protection afforded to victims.

On 23 March 2007—the same day that the UK signed the convention—the Government published their first UK action plan on tackling human trafficking. I pay tribute to the hon. Member for Gedling (Mr. Coaker), who was then the Minister with responsibility for such issues, who for three or four years pushed, along with the all-party group on the trafficking of women and children, for new legislation and action. His work was untiring and excellent. The aim of the action plan was to highlight current work on human trafficking across all Government agencies, identify gaps in existing work and outline future plans. However, it is not enough to sit back and rest on our laurels. Just as we have a salt awareness week to alert the public to the dangers of a high-sodium diet, an annual human trafficking awareness day would alert the public to the horrors of the modern-day slave trade, which they would not normally think about.

All of us here think in terms of political expediency and what needs to be done. If one mentions this issue to a taxi driver or a builder, he may have an idea of what human trafficking is in the back of his mind. With the problems in Haiti in our minds and on the news, he will have an idea of what human trafficking is. However, we desperately need to be reminded regularly of these issues, and regularly to identify for young people and others the dangers that exist.

The Government could say that there is already an international day to commemorate the 200th anniversary of the abolition of the transatlantic slave trade, an international day for the remembrance of the slave trade and its abolition, and an international day for the abolition of slavery, but I know they will not. All those days are very unspecific and not well established. The important thing is to let men, women and children know that modern-day slavery exists here in Britain and needs to be stamped out. We must reinforce the focus and understanding of the public. Slavery did not disappear when Wilberforce passed his legislation through this House. That is why we need an annual anti-slavery day.

A national anti-slavery day would continue to draw attention to the evils of human trafficking post-Wilberforce and how it is manifesting itself in British society. We would not be the first country to establish a day of awareness of human trafficking and modern-day slavery; the United States has already done this. In June 2007, the US Senate passed a resolution establishing a national

[Mr. Steen]

day of human trafficking awareness on 11 January each year. The aim of the day is to raise awareness of and opposition to human trafficking and modern-day slavery, both domestically and across the globe. Various events are organised each year in the US on that day, including public debates, press conferences and a film screening, along with news items and media reports. It strikes me that 11 January is a good day to choose, as it is during the school term, but my Bill suggests that the Secretary of State should determine which date is used—I did not try to fix the date in concrete at this stage.

Similarly, schools in Britain could be encouraged to incorporate this topic into their curriculum to raise awareness among students. That would encourage teachers to receive special training to help their students learn about modern-day slavery in a sensitive and engaging way. Specialist training would also be a priority for social workers and the police, so they could develop expertise in the area and play an instrumental role in raising awareness among local communities. Thus, people across the board would start waking up; just as Holocaust memorial day was held earlier this week, so we would have a day to raise awareness of slavery, modern-day slavery and human trafficking. The efforts made by individuals, business, organisations, educational institutions and governing bodies to promote the observance of an anti-slavery day each year would represent one of the many examples of an ongoing commitment in the UK to raise awareness of human trafficking and to oppose such trafficking actively.

In December 2009—just two months ago—the US Senate approved a resolution to establish a national slavery and trafficking prevention month in January. The month-long observance is intended to enhance the fight against human trafficking. Given that the United States and the United Kingdom were the two main drivers behind the transatlantic slave trade, it would be fitting if they had the same anti-slavery awareness day. It would also be a fitting tribute to this Government's commitment to making Britain a hostile environment for traffickers.

We have been subject to increasing media coverage of serious aspects of human trafficking; most recently, there has been much about Haiti and the risks of children going missing there. I raised the matter at Prime Minister's questions on 27 January. There has also been widespread coverage of the risks taken by well-intentioned individuals who rented a bus to rescue Haitian children and attempted to bring them into the Dominican Republic and establish an orphanage. Films have been made about Roma children and about girls who have been brought from eastern Europe and the far east and forced into prostitution. A couple of weeks back, *The Times 2* did a feature on domestic slavery and the problems that domestic workers face when they work in this country. Incidentally, I am sponsoring an exhibition, with the all-party group, that will be held in the hall upstairs on 22 January. It will be opened by the Home Secretary and will be identify the problems caused by human trafficking.

Mr. Deputy Speaker: Order. That appears to be a form of product placement, so perhaps we should move on.

Mr. Steen: I am on my last paragraph, so I thought that I might just get that in.

By far the largest number of people trafficked into the UK may well be trafficked for forced labour. The UK Human Trafficking Centre is already making progress to highlight the extent of the problem in the agricultural sector. As the Gangmasters Licensing Authority is also involved in that work, there is a strong case for widening the remit of the Gangmasters (Licensing) Act 2004 to include the hospitality, construction, and care industries—those very important areas are often forgotten.

In the past three years, Britain has moved from behind the pack—the other EU countries—in tackling human trafficking to the head of the pack. Unfortunately, the problem of human trafficking is growing. It is the modern version of slavery, and it is virulent. Declaring a national awareness day would be the best way of recognising that evil for what it is. We could lead with our European partners, and I hope that we can complete the work that William Wilberforce rose in this very building to begin more than 200 years ago, as the majority mistakenly believe the illusion that slavery has all but disappeared.

I am sure that you will be interested to learn, Mr. Deputy Speaker, that the Inter-Parliamentary Union is holding a conference on this very issue for parliamentarians beginning on 22 February. Parliamentarians from all over Europe who are committed to and interested in this matter, many of whom I have visited in their countries, will be coming to the IPU to discuss and debate how they can work much better together. I believe that I have covered the matter and that the House will understand what I am trying to say. If I cannot say it in 50 minutes, there is not much point in my carrying on speaking for much longer, so I merely say that I commend this first-rate Bill to my colleagues.

11.34 am

Mr. Andrew Dismore (Hendon) (Lab): I congratulate the hon. Member for Totnes (Mr. Steen) on introducing his Bill. As he knows, I am one of its supporters. I also congratulate him on his speech. For a moment, I thought he was going after my record for the time taken in setting out one's arguments, but I am pleased to be able to say that he did not break it—he was quite a long way short.

I also congratulate the hon. Gentleman's all-party group on the work that it is doing and has done. It works in parallel with my Joint Committee on Human Rights, which has taken a particular interest in the issue of trafficking. Only last week, we had an evidence session with the Minister to follow up on our previous reports on the issue. A number of points arose from that, but I shall not go into them today because that would involve straying from the text of the Bill. As the hon. Gentleman mentioned William Wilberforce, I should say that he lived in what is now my constituency and founded my local church, so I have a particular constituency interest in seeing how this all progresses.

I have a problem with part of the text of the Bill, specifically the references to "modern-day slavery" and "taking the place of the trans-Atlantic slave trade". The hon. Gentleman will know that, like him, I have attended IPU events to discuss trafficking. The phrase "modern-day slavery" is not really accepted by a number of the countries in Africa, which find it an offensive comparison with the old slave trade. Assuming that the

Bill goes into Committee—I hope that it will—I urge him to consider whether he could remove that phrase because it is not needed to make the point about trafficking. If he were to do so, we would be left with a much more consensual Bill, particularly given how many people from Africa live in our country and who might otherwise feel offended.

On the other reference, the hon. Gentleman has explained at length that his Bill deals with the modern problem of trafficking, which, as he said, is a worldwide one. He has mentioned the trafficking of children from Vietnam in order to grow cannabis in factories and the problem of young women who are trafficked from eastern Europe to work in the sex trade. None of those things relates in any way, shape or form to the transatlantic slave trade. Equally, he knows as well as I do that people are trafficked not only into the UK, the US or even Europe, but throughout the world. As he said, trafficking is the second biggest criminal activity after the drugs trade. Thus, not only might people with an African heritage find the comparison in the simple reference to the transatlantic slave trade a little insulting, because they are very sensitive about that issue, but the reference does not get across what the Bill is actually about, which is to highlight the worldwide nature of the problem. The comparison between what happened in the 18th and 19th centuries with what is happening now is not really one we should have in this Bill.

Mr. Steen: I am grateful to the hon. Gentleman for that comment, so may I ask his advice? He is one of the sponsors of the Bill, so he supports it. Given that we wish to expedite its progress, does he agree that the reference could be removed in the other place or on Report? That would avoid our delaying the Bill's progress in this place.

Mr. Dismore: That is a difficult issue, because it is important to ensure that Bills leave this House in as good a shape as possible. I understand what the hon. Gentleman is saying, but I hope we will have time to put that right here because he is quite well up the batting order. I leave the Minister to discuss further the possibilities in that regard. I think the hon. Gentleman accepts that the Bill is not perfect on those two points.

Mr. Steen: Does the hon. Gentleman agree that it would be unfortunate if that particular point, important though it is, were to impede the Bill's becoming law? This opportunity may not be repeated.

Mr. Dismore: To that extent, I agree with the hon. Gentleman. That brings me to my second point, because I support the principles behind the Bill and the Bill itself.

I wish to remind the hon. Gentleman of my experience when I introduced my Holocaust Remembrance Day Bill some 11 years ago, on which, in many ways, I suppose his Bill is modelled. I produced the Bill after a visit to Auschwitz. I came back wondering what I could do to sort this out. Given what he has been saying, it would appear that he has had a similar experience in respect of trafficking: he is very exercised about the issue, as I hope we all are, and he thus wants to do something about it and his Bill is a way of achieving that. I moved Second Reading and I raised the matter with the Prime Minister of the day, Tony Blair. In response to a parliamentary question, he said he thought it was a good idea and all the doors unlocked. The Home Office, which had previously been a little reticent, suddenly became extremely enthusiastic—I cannot understand why. In the end, we did not need the Bill to establish Holocaust memorial day. I think that everybody in the House accepts, or, at least, I hope they do, that that national commemoration has been a great success—we had the 10th only the other week—not only as a commemoration but in the way it has spread awareness of the issues of the holocaust throughout the country.

I suggest to the hon. Gentleman that he might not need a Bill or an Act to achieve what he wants to achieve. The naming of the day is not important; what is important is the Government's commitment to making the things happen that need to happen to make it a success. The hon. Gentleman has mentioned the three other similar day-type commemorations, and I hope that when my hon. Friend the Minister for Borders and Immigration replies to the debate we can consider bringing those together in one form of commemoration and education under the Government's auspices with their commitment to making it a success. The hon. Gentleman does not need legislation for that; he needs commitment. Even if the Bill is passed in its present form or in a slightly amended form, it does not necessarily mean that anything will happen other than a little name will appear in everybody's diaries. We have to have commitment to make that happen—commitment from the Government, local government, voluntary bodies, schools and everybody else, and that needs a strong lead from the Government.

Mr. Steen: There is nothing between us; we are agreed on this. But there is a difference. We have a Holocaust memorial day that has focused public attention—let us remember that we sign the book downstairs. This is an opportunity to say, "We don't like the title," "We don't like this," or "We don't like that." We have an advantage—and it is a very small window of advantage—and an opportunity today, I believe, to push for the identification of a day a year to focus on this issue, although of course the Secretary of State would decide the day. If we lose this opportunity, another will not come along for a very long time, if at all. It is a question of which is better on balance: to have something that is not perfect or to have nothing. I suggest to the hon. Gentleman, in view of his sponsorship of this Bill, that he would not wish it to founder.

Mr. Dismore: Yes, I am a sponsor of the hon. Gentleman's Bill and I do not particularly want it to founder. However, I have explained that I think the Bill is a tool to make something happen, just as the Holocaust Remembrance Day Bill was a tool to make something happen. In the end, we did not need the legislation, because the Government took it on, with all-party support, and now Holocaust memorial day is well established. I hope that the hon. Gentleman sees this Bill as a tool that can be used to make something happen.

We were a lot more advanced in the debate on Holocaust memorial day: we had signed up all the constituent parts of the argument, identified the day—which was somewhat controversial at the time—and, using the Bill as a tool, we were able to make it happen. I hope the hon. Gentleman will see that his Bill does not necessarily have to become an Act, but can be used as a tool to ensure that things happen in the same way.

Mr. Steen: I have nothing against that, except I will not be here to see it happen. Bearing in mind the time and the fact that his Bill follows mine, I hope that the hon. Gentleman will give the Bill a chance to be pushed through, even if it founders somewhere else, and used as a vehicle in the way that he has been thinking. However, if it does not move on today to the other place, it will not be a vehicle, because it will not have any leverage.

Mr. Dismore: I am not quite sure what the hon. Gentleman has in mind, but I think I have made my point. In fact, I was about to sit down, but I thought that he would like to get his intervention in.

I approve of the concept of an anti-slavery day, but there are problems with the text. If the Bill does not become law or if the Government are not prepared to support it, I hope that the Government will give the concept, at least, their blessing and, at the same time, see what they can do to show the Government's commitment to tackling these issues.

11.43 am

Matthew Taylor (Truro and St. Austell) (LD): I greatly welcome the work of the hon. Member for Totnes (Mr. Steen). He has a long-established reputation and is held in high regard in this House, and in his speech he was able to talk at length about the issues and the work that he has done in this connection. It is worth saying that it commands enormous cross-party support and respect and the hon. Gentleman has done us a real service.

Whether through the Bill or simply because the issue has been raised, I hope that the Government will act. There are two big points to make. First, although the hon. Gentleman did not dwell on it, this country has every reason to be proud of its history on this issue. This House, in particular, has every reason to be proud of its history. All of us who count ourselves as progressives—I think the hon. Gentleman would be one of them—can claim some credit for progressives in this place in the past, who challenged established views and succeeded in the anti-slavery legislation.

Mr. Steen: I thank the hon. Gentleman for the generous things he has said; I am most grateful to him. The fact is that Britain led the world on the anti-slavery legislation. On human trafficking, we were quite slow, compared with other European countries, to realise what was happening. We have caught up. The Government have consistently had good Ministers in the Home Office who were committed to doing something and they have done as much as they can. This is what is needed now and it is an opportunity for Britain to take the lead again in the EU. That is why I am concerned that we should not lose that opportunity.

Matthew Taylor: The hon. Gentleman intervened just as I was about to turn to the present. He made his point very clearly, and he is right. There is a desperate need to awaken people's consciences to what is going on. The Government have made huge strides in this regard, but, as the hon. Gentleman made clear, there is more to be done. Tackling the issue will be done best if people are aware of it, because the problem is often in the house next door or the flat across the road. Making people aware of the issue, and getting them to report it and no longer turn a blind eye to it, is how we will effectively overcome it. That is all I want to say and that is why I believe that the hon. Gentleman's proposal is a good one.

11.46 am

Damian Green (Ashford) (Con): It is, indeed, a pleasure to rise in support of the Bill proposed by my hon. Friend the Member for Totnes (Mr. Steen). I congratulate him not only on his powerful and compelling speech, but on his exemplary use of an all-party group to pursue an important campaign. I wish the Bill well.

I found it unique and slightly surreal that the only objection to the Bill so far has come from one of its sponsors. That is made more surreal by the fact that I might have thought that the hon. Member for Hendon (Mr. Dismore) was doing what he often does on a Friday morning, and extending the debate in a creative way, but I looked at the Order Paper and discovered that the next Bill for consideration is from the hon. Gentleman. I am not entirely sure what his contribution was designed to achieve.

I want to make it clear that the Opposition support my hon. Friend's Bill. It is an important initiative that is aimed at raising public awareness. As has been said by several hon. Members so far, this is not a problem of inner cities and of big cities. It is now a problem that unexpectedly affects every community—or many communities—in this country. I know that it is a problem in my constituency, which is not the sort of area where one would expect to find this sort of problem. I congratulate my hon. Friend on introducing the Bill, which takes a significant step with no apparent public spending commitment, which is not only admirable but extremely sensible.

Mr. Steen: I assure the House that no public expenditure whatever is intended. It will be up to organisations and institutions in this country to decide how they wish to recognise modern-day slavery. That is what the Bill seeks to do, along the lines of what has been done in the United States, where the whole month of January is dedicated to the issue. I am suggesting only one day, and I suggest that the Secretary of State would name that day. It would give a focus to the issue, and I am most grateful to my hon. Friend for acknowledging that it is needed.

Damian Green: My hon. Friend makes his point. It is important to have a day devoted to increasing public knowledge and awareness that slavery and human trafficking are a contemporary problem, not simply something that people read about in history books.

I hope that the House can pass the Bill because, this week of all weeks, it is important for the House to be seen to be doing something useful, relevant, creative and constructive. Conservative Members are wholeheartedly committed to the cessation of the modern slave trade and, along with many of the things that my hon. Friend has already said, we have proposed an integrated and coherent strategy to achieve that. The hon. Member for Hendon made a few remarks about whether modern-day slavery is the appropriate phrase to use, but clearly human trafficking is the modern form of slavery, and it is deeply depressing that it is becoming so prevalent 200 years after William Wilberforce famously succeeded in beginning the abolition of the slave trade in this country.

Human trafficking is a particularly serious problem for this country. The Minister and I spend much of our time arguing about our lax border controls, but clearly Britain is not just a target country for human traffickers; it is also a transit country. My hon. Friend the Member for Totnes made the point that the international trafficking trade, which the UN estimates affects about 800,000 people a year, is now the second-biggest international crime, after the drugs trade. One fact that my hon. Friend did not mention, which I find equally depressing, is that it is the fastest growing of the big international crimes. Drugs, guns and people are trafficked around the world by some of the world's most unpleasant and organised criminals, and of those three horrors human trafficking is growing the fastest and will, if things carry on as they are, become the biggest international crime.

Mr. Steen: Does my hon. Friend agree that the other items, arms trading and drug trafficking, do not involve human life? This is the one crime that human beings are subject to. They are treated in the most appalling and despicable way—not much different from how they were treated under the old slave trade. This is modern slavery; I am afraid that it has not yet been abolished.

Damian Green: I do not want to try to establish moral distinctions between three particularly unpleasant crimes, but my hon. Friend is right. This is the nearest thing that we have to the old slave trade. Anyone who has grown up during the past 50 years will read the history books with horror, wondering how people could have treated other human beings like that as recently as 200 years ago, but sadly and depressingly we come to the conclusion that they are still doing that now. That is a horrific fact on which we need to reflect.

I am glad that my hon. Friend made the point that human trafficking is not simply to do with sexual exploitation—it is wider than that and includes labour exploitation—because it is important that we do not get sidetracked into a debate about prostitution. Clearly there are hugely important debates to be had about that, and a significant amount of human trafficking is for the purpose of sexual exploitation, but the trade is more than that. Labour exploitation should be regarded as equally important, particularly as it affects children. I do not want to repeat many of the things that have already been said in the debate, but many of us will find it particularly appalling that a large and apparently growing number of children are trafficked. The physical mistreatment that is often part of the trafficking process seems particularly disgusting. Many of the victims are lured under the false pretence of more favourable work or pay and made financially dependent on arrival.

My hon. Friend mentioned the terrible case of Gabriella, whom he met yesterday. I am sure that Members will have heard similar examples. There is one of a woman in her early 20s, who we shall call Suzanne, from Lithuania, who after the death of her husband was offered a job in London by two Lithuanian men. They said that it would enable her to better provide for her two children. Escorted by one of the men, she flew to London, where she was met by two other Lithuanians who were already living here. They took her to a flat where she was locked up and forced to have sex with up to 10 men a day. Her pimps kept all the money, claiming £10,000 was owed to their boss for bringing her to the UK and for her living costs. After four months, she became pregnant. I regret to say that that is the routine sort of story that one hears in this field.

As I say, young women are affected, but so too are children. In introducing his Bill, my hon. Friend talked about the problems of children's homes. I draw to the attention of the Minister and the House the problems of the homes in the London borough of Hillingdon. No blame at all attaches to the local authority, because we cannot make those children's homes secure unless we make them prisons, and none of us wants to do that. It has been identified that since 2006, more than 70 Chinese children have gone missing from a home there; obviously, it is close to Heathrow. Only four have been found—two girls returned after a year of exploitation in brothels in the midlands. One was pregnant, while the other had been surgically fitted with a contraceptive device in her arm. We seem to know that the absconding is straightforwardly at the facilitation of organised crime groups.

The Minister for Borders and Immigration (Mr. Phil Woolas): On the problems of Hillingdon, I have met the leadership of the council and its senior officers, and we believe there is more that we can do together. I am grateful to the hon. Gentleman for the cross-party approach that his party is taking on the issue. We clearly need to help Hillingdon, and we intend to do so.

Damian Green: I am grateful to the Minister for those remarks. Of course, the approach is not just cross-party, as he will be well aware. Hillingdon and Kent are the two local authorities most exposed to the problem of unaccompanied children. Indeed, one of the new centres for unaccompanied asylum-seeking children is in my constituency—I visited it recently—so wearing almost every hat that I have, I am deeply concerned about the issue. Those local authorities that have to grapple with the matter have serious problems funding and organising all the arrangements for unaccompanied children, and having international criminal gangs trying to exploit and take away those children is clearly an enormous difficulty.

In this country, exploitation of labour is common in agriculture, construction, domestic cleaning, contract cleaning and the care sector. We all know the more tragic examples of what happens as a result of that kind of labour exploitation: there were the Chinese cockle pickers who died in Morecambe bay and the lorryful of Chinese workers who suffocated in Folkestone. We also know that something like 60 per cent. of illegal immigrants arrive in the UK by illegal means, the majority in the backs of lorries. Many of them will have paid huge sums of money to agents—up to £22,000—and many of them are forced into debt bondage, are kept in appalling conditions and are victims of organised criminal gangs.

Terribly, even in those conditions, many of those people prefer to be here than in their home country, because their life in their country was even worse than the life that they are forced to live here. We have to accept that as an issue. Incredibly perversely, many of them prefer to be illegal workers. In an evidence session for a previous immigration Bill, Jack Dromey said that his union had found evidence of Portuguese workers—who could, of course, have come here perfectly legally—pretending to be Brazilians and operating under false

[Damian Green]

Brazilian passports, because that way, they could work illegally, take jobs at below the minimum wage and allow themselves to be exploited. They thought that it was easier to get work that way. One can see the depths of the perverse effects.

Many of these victims are unwittingly involved in organised crime. We know that there are many crimes associated with human trafficking, including the employment of illegal immigrants, drug crimes and money laundering, as well as prostitution and child abuse. I expect the Minister would agree that we need to ensure that campaigns such as the cross-borders Blue Blindfold campaign continue to help raise awareness of this despicable trade, as the Bill would do.

We on the Conservative Benches have previously urged the Government to focus on the countries of origin. We were pleased to see a mention of that in the millennium goals. In introducing the Bill, my hon. Friend mentioned what happens in the countries of origin. It is clear that prevention work in such countries will be hugely valuable as part of the long-term package of measures that we need to take to combat human trafficking.

We were pleased when the Government responded to pressure from us and others and signed up to the European convention on trafficking in human beings. We know that that is not just a UK problem. It is one for the whole of Europe, and we can learn a great deal from studying the work done in other countries, particularly Austria and Italy, which have shown some creative thought in this area.

An important development that has not been mentioned was the formation of the United Kingdom Human Trafficking Centre. The existence of one central point of information on trafficking has clearly been valuable to police forces, the Crown Prosecution Service and other agencies. The existence of the UKHTC demonstrates the importance of specialisation when tackling new and growing types of crime. I hope that expertise does not disappear in the future.

Mr. Steen: Will my hon. Friend give way?

Damian Green: I know that I am slightly more enthusiastic about the UK Human Trafficking Centre than is my hon. Friend. I wondered how long it would take him to respond.

Mr. Steen: I visited the UK Human Trafficking Centre with the Joint Committee on Human Rights. If the centre co-ordinates statutory organisations, gets statistics and provides information, we should support it, but we should not forget the non-governmental agencies, which receive little or no help from the Government, other than the POPPY project. Bearing in mind that £1.8 million goes to the Human Trafficking Centre, does my hon. Friend agree that a similar sum should go to the non-governmental organisations who do such amazing work in victim protection?

Damian Green: My hon. Friend has just broken the covenant whereby he was not going to ask for more public spending—*[Interruption.]* He says from a sedentary position, "Get rid of the UK Human Trafficking Centre." I do not agree. The UKHTC does good work and it would be short-sighted to shut it. I take his point that some of the NGOs are clearly doing valuable work as well.

I have some concerns about the current action plan because there appear to be problems with the national referral mechanism at a local level. I hope the Minister would agree that better information needs to be provided to local authorities and police forces so that they are aware of the problem, better able to identify victims and confident in using the mechanism.

The figures show the scale of the problem. In October 2008 the Government published an assessment stating that 360 children were trafficked into and within the UK each year, but only 57 under-18s were referred to the national referral mechanism as suspected victims of human trafficking last year, out of a total of 527 referrals. In the five years to 2009, 452 people were arrested for human trafficking offences, but fewer than a quarter, only 110, were convicted. Those figures are worrying.

One important area that is often neglected is trafficking for forced labour. In 2008 there were only four convictions for trafficking for the purpose of forced labour, despite the problems that we know about in relation to organised immigration crime. As a country, we could do much better at cracking down on rogue employers. That is why we differ from the Government on a series of proposals about better border policing.

We have made a number of suggestions: instructing immigration officials to check the date of the return ticket of the adult accompanying minors and look for discrepancies; better work with countries of origin to help reintegrate victims, prevent the re-trafficking that my hon. Friend mentioned and educate potential victims; more robust law enforcement to bring to justice more traffickers and employers of forced labour; and better co-operation with the national authorities of other countries within Europol and Eurojust.

All those measures would be useful, but our most important defence against human trafficking is our own borders, and we suggest replacing ad hoc police operations by mainstreaming trafficking as a police priority through a national border police force. The Government's failure to tackle the problems at our borders has resulted in a disastrous rise in organised immigration crime, and the Conservative party believes that we cannot tackle crime in the UK effectively without addressing the problems at our borders. They could be better policed, and we could prevent significant illegal immigration while cracking down on the trafficking of people and, indeed, weapons and drugs.

We believe that the specialisation of police services is most effective in fighting those new crimes, and that is why we commissioned Lord Stevens to conduct a review of our border security. We conclude, with him, that only a unified force can best protect our borders, so an incoming Conservative Government would make setting up a national border police force one of their priorities. We want to replace the current system, which, as we have seen over the past few years, lacks a comprehensive, joined-up strategy. That significant practical measure would improve the protection of our borders generally, and give us a better weapon in the fight against human trafficking, specifically.

Many measures can be taken, however, and my hon. Friend's Bill, which would significantly improve public awareness of the problem, would be another significant and welcome step forward. I am therefore very happy to support it, because we need to ensure that Britain once again leads the way in fighting slavery. We need to continue Wilberforce's work, so that this new slavery is eradicated as soon as possible.

12.7 pm

Mr. John Randall (Uxbridge) (Con): I shall be brief, because I am anxious for this and the following business to be discussed. I pay tribute to my hon. Friend the Member for Totnes (Mr. Steen) for his work on these issues. He has talked to me about many of them for some considerable time, and he has opened my eyes to a very serious issue; occasionally he has caused them to close after a very lengthy discussion, but mostly he has opened them.

We all think that my hon. Friend's proposed day will raise awareness of this incredibly important and serious issue, which many people are not as aware of as they should be: we had the 200th anniversary celebrations of Wilberforce's Act, and most people think that slavery is long gone. I pay tribute once more to my hon. Friend for his work. The House will lose a doughty crusader on this issue, and I hope that he will—indeed, I urge him to—continue that work wherever he finds himself.

12.8 pm

The Minister for Borders and Immigration (Mr. Phil Woolas): I, too, congratulate the hon. Member for Totnes (Mr. Steen) on bringing this Bill to the House as the latest stage of his important campaign to focus attention on awareness of, and action against, human trafficking. He said that his speech today might be one of his last in this place, but I hope that it is not, because we benefit from his knowledge. Today he has brought to the House the benefit of what a comprehensive, campaigning Member of Parliament can do, and I am thinking not only of the hon. Gentleman's time in the House.

In preparation for this debate, I have been reading the current edition of *The House Magazine*, No. 1330 volume 35. There is a profile of the hon. Gentleman that is very relevant to the Bill. It is headed "Pioneering spirit not extinguished", and that sums things up rather well. He informs the House, through the magazine, of his intention to continue in this place working on this campaign, albeit in a different capacity. I congratulate him on that and wish him well; with a long career behind him, he has, I hope, many years ahead of him to campaign on this issue.

The hon. Gentleman did not explain his Bill in the legalistic jargon that we sometimes hear; I am probably as guilty of that as others. He expressed himself in very human terms, which my constituents would understand, as he related the human stories behind the issue. I suspect that he shares my burning frustration at the fact that the Press Gallery is vacant this morning. There are some stories that the public need to know about, and it is sad that it is left to just a few journalists to bring attention to them. People say that this place is not relevant, but they ought to listen to or report our debates on these issues. Unless I say something sensational, I doubt whether this debate will be reported; I think the hon. Gentleman knows what I am referring to.

The House is extremely grateful to the hon. Gentleman for bringing this subject to our attention and for the work of the all-party group on the trafficking of women and children, many of whose members are sponsoring the Bill. I know that there was a recent meeting about consular domestic workers, an issue that the hon. Gentleman has raised today.

Obviously, the Government have been giving consideration to the hon. Gentleman's proposal that the United Kingdom should introduce a national day of awareness about human trafficking and slavery. The Bill lays out its purpose clearly, and that purpose can be supported. The provisions in clause 1(2)(a) to (c) lay the purpose out. My hon. Friend the Member for Hendon (Mr. Dismore) made reference to how they might be interpreted.

I should say at the start that the Government will not oppose the Bill; we think that it is for the House to decide whether it is appropriate that there should be a statutory anti-slavery day. Should the House move the Bill on to the next stages, we will offer the services of parliamentary counsel to address some of the concerns identified as we considered the Bill in Whitehall.

I know that I am not meant to read out the brief, Mr. Deputy Speaker, but I will on this occasion, as it will be helpful. It raises some of the concerns about wording, the usual advice on meaning—particularly about words such as "proactive"—and concerns about presentational issues, to which the hon. Gentleman himself referred, in relation to the existing European Union anti-trafficking day and the UNESCO day on slavery. The brief also refers to how and why this day, as opposed to other days, needs statutory backing. Armistice day has no statutory backing, but I guess that the House would say that it does not need it; no Government would want not to focus resources on it.

That, however, is a matter for the House. Should the Bill get to the next stages, we will offer the services of parliamentary counsel. I hope that that is taken in the spirit of helpfulness in which it is intended. It is always a good idea to read out the brief when it is intended to be helpful.

We therefore support the principle behind the Bill. Its stated purpose is to point out that

"modern-day slavery is taking the place of the trans-Atlantic slave trade".

I understand that point, although my hon. Friend the Member for Hendon made us aware of a concern that some communities may have. The fact is that, as the Bill states,

"millions of men, women and children continue to be victims of modern-day slavery, depriving them of basic human dignity and freedom".

That is taking place within the European Union, which is of particular concern.

Mr. Steen: The issue is simple. If we stopped people in the street today and talked about human trafficking, a great number of them would not know what we were talking about and a great number more would say, "Oh, it all finished years ago." In other European countries, ideas are even vaguer. The whole approach in Europe, starting here today, should be that we are not going to have modern-day slavery. What Wilberforce did in the 19th century is what we need to do in the 21st, and we

[Mr. Steen]

must apply it to a new kind of slavery involving human beings who are victimised, treated cruelly and abused for the sake of money for the traffickers. We have to do that today. Parliamentary draftsmen, for all they are worth, will find a reason to make the Bill meaningless, so we must not necessarily take all their advice."

Mr. Woolas: I take the hon. Gentleman's point about parliamentary draftsmen. They are very helpful to Ministers and we could not do without them, but his point is strong. I should explain that the lead responsibility for the matter in the Home Office rests with the Under-Secretary of State, my hon. Friend the Member for Tynemouth (Mr. Campbell), but of course we work extremely closely together, particularly because the UK Border Agency works with police forces. I shall return to the debate between the hon. Member for Ashford (Damian Green) and myself about the desirability or otherwise of a specific police force within UKBA, but the work that we are doing benefits from a partnership approach.

The Bill mentions the particular desirability of raising awareness among young people, which is very important. I share the views of the hon. Member for Totnes about the lack of awareness. The views that he described were my own misunderstanding before I took the job, and before I undertook research into the matter as a private citizen after the exhibition that the POPPY project held last year. As a father, let alone as a member of the public, I was horrified by the depth and breadth of trafficking. Of course, one could say that even if only one person was trafficked, they would deserve the action that we are trying to take.

Helpfully and in a non-partisan way, the Bill attempts to put into statute the desirability of drawing attention to

> "the progress made by government and those working to combat all forms of modern-day slavery",

and it is good for Parliament to make that point. Perhaps it would be helpful if I briefly outlined the work that we are doing in that regard. Central to our approach has been the desirability of reconciling the various objectives of enforcing the laws against traffickers, preventing illegal immigration, which is often associated with trafficking, and protecting victims. That approach was commended by the House through the Joint Committee on Human Rights in its 26th report of the 2005-06 Session. It is worth quoting that report, which stated:

> "We are encouraged by our further belief that the Government is also committed to achieving the best possible balance in its overall policy to combat trafficking, grounding that policy in human rights standards, and has an open mind about how this can best be achieved."

In 2007, the year of the bicentenary of the abolition of the slave trade, we published the first UK action plan, which was updated most recently in October 2009, as the hon. Member for Totnes knows. That coincided with the European Union's anti-trafficking day, which is held on 18 October each year, as hon. Members have said. In addition to the action plan, we also issued a publicity leaflet for victims of trafficking and advice for practitioners, to ensure as far as possible that the voluntary and statutory agencies are singing from the same hymn sheet. On the same day the Under-Secretary of State, my hon. Friend the Member for Tynemouth, who has responsibility for crime reduction, spoke on the issue in Brussels, outlining the work undertaken by the UK in contributing to the European effort.

The plan looks at the issue from end to end—from the source of the pipeline, if I can use that phrase, to the experience of the victim at the end of it. The hon. Gentleman has explained the circular nature of the problem, given the pressure put on victims through threats to their families in their home countries. The plan takes an end-to-end approach and focuses on four key areas: prevention; investigation, enforcement and prosecution; providing protection to adult victims; and providing protection to child victims. Let me look briefly at each.

The prevention of trafficking is essential. Our attention has focused on three areas: increasing our understanding of the problem; addressing issues that impact on the supply side of human trafficking; and deterring the demand for human trafficking. Those are not simple tasks. The covert and deceptive nature of the crime makes it difficult to assess the scale of the problem. One estimate of the scale of trafficking for sexual exploitation is that there were up to 4,000 victims in the UK at any one time in 2003. That is not 4,000 victims throughout the year; it is 4,000 at any one time, which is where the recent press reports, to which reference has been made, got confused.

In April the Government will publish a revised estimate of the nature and scale of trafficking for sexual exploitation in this country. That work will be taken forward in 2010. Alongside that we will do scoping studies of trafficking for forced labour and domestic servitude. I mention those things because the hon. Gentleman's Bill says that it is desirable to draw attention to the problem. I hope that he does not regard those initiatives as a substitute for action; rather, they are part of it.

Mr. Steen: Is the Minister aware—I was not aware of this until last week, when I met some police officers concerned with sexual exploitation—that the police have now identified more than 2,200 brothels in this country? For instance, there were thought to be half a dozen brothels in Croydon, but they have now found that the figure is 60. All brothels apparently have so many trafficked women in them—indeed, the police believe that as many as half or two thirds of the women in many British brothels have been trafficked and forced to work there—that we might find that the figure of 4,000, which I accept, will double when we start to get more information.

Mr. Woolas: I am not familiar with the specific figure, but my right hon. and learned Friend the Leader of the House has drawn our attention to that. I simply make the point, which I know the hon. Gentleman agrees with, that the figures are sometimes misunderstood because it is assumed that the problem is static, and of course it is not.

Our understanding of the scale of the problem is improving steadily. Particularly helpful in that context has been the introduction of the national referral mechanism, to which the hon. Member for Ashford referred, which was established as part of the ratification of the Council of Europe convention on 1 April 2009. The national referral mechanism is a multi-agency

framework that assists in identifying victims of trafficking and then providing support. It is supported by significant investment to provide front-line officers and responders with the skills to assess whether an individual should be referred into the framework. That work includes training staff to respond to individuals in an appropriate manner. The hon. Member for Totnes mentioned the desirability of improving awareness and training in this area across the various agencies.

A serious point about the policy proposal put forward by the hon. Member for Ashford is that, although we would not want to rule out a police force within an agency on ideological or dogmatic grounds, we must acknowledge the practical question of what is the best framework for getting all the agencies to work in partnership on this issue. Is there a danger that a Border Agency police force would lead to other police forces and agencies de-prioritising this issue because they were working on the assumption that the agency police force was responsible?

My response to this proposal is that, whatever arguments we have about the border, it is not the border itself that needs the extra policing; it is the investigation and enforcement. That is why our preferred approach is through the local immigration and crime teams. They could adopt what I describe as the Eliot Ness approach. Members will recall that Al Capone was captured by a tax investigator, not by a man with a machine gun. Similarly, immigration and police powers working together are mutually beneficial because, more often than not, human trafficking involves illegal immigration activity and other crimes. I am sure that this debate will be heightened in the next few weeks. There is a serious, almost tactical, decision to be taken on this, as well as a strategic one.

Training is now mandatory for all UK Border Agency staff below assistant director level, and training modules for the police service have been inserted into mandatory mainstream training courses throughout the police. However, it is not enough simply to focus on human trafficking in the UK. Many victims are foreign nationals from the EU and beyond. The second strand therefore involves addressing the problem at source.

The Home Office works closely with our colleagues in the Department for International Development and the Foreign and Commonwealth Office, as well as with the Serious Organised Crime Agency, which is an international organisation. I have recently met officers in Nigeria, for example, and it is possible to see the end-to-end approach working as intelligence comes through from such countries. Those organisations have a number of initiatives to tackle trafficking at source, and the work has four components, of which awareness raising is one. We hear horrendous stories about young people who are understandably naive. Perhaps naive is not the right word, but they lack awareness of what is going on. The hon. Member for Totnes has recounted stories of youngsters believing that they are going to get a decent job and ending up in enslavement. The second component involves capacity building in the source and transit countries to deal with organised immigration crime. The third involves working with Governments and other organisations within the EU and beyond. The fourth involves taking action to address the factors that make poor people vulnerable to trafficking in the first place. The strategy in the Czech Republic is an example of that.

DFID works in 150 countries, and plays a critical role in preventing trafficking at source, through work on combating poverty and social injustice and implementing long-term development programmes. For example, we are currently supporting a project run by the Salvation Army to combat child trafficking in Malawi. There are numerous projects like that in Africa. Similarly, the Crown Prosecution Service has undertaken programmes in a number of jurisdictions to improve the investigation and prosecution of offences. This has focused on the Caribbean, west Africa, China and Afghanistan, while we have also seconded Crown Prosecution Service staff to work in Sierra Leone and Ghana.

Within the European Union, in order to strengthen the international response, we take a joint approach, and we are negotiating a revised framework decision on human trafficking. The UK has played a key role in preparing for the Schengen evaluation of trafficking and supporting the development of ideas proposed by the then Swedish presidency to improve the EU's external work to combat human trafficking. If one wants an example of why we were right not to join Schengen, this is a good one, in my opinion. Growing awareness and implementation of policy relating to the protection of the border and better sharing of data within EU countries is critical to this approach. The Swedish presidency recognised that, and a number of EU countries shifted their attitude, which is testament to the campaigning work going on in this country and elsewhere.

Mr. Steen: I assume from what the Minister is saying that he acknowledges that modern-day slavery crosses frontiers, but believes that there is no point in this country having a ring of steel around our borders if other countries are porous to human trafficking. Does he agree, therefore, that a major task for the European Commission is to stop funding conferences, seminars and research and to start giving money to NGOs and other organisations involved in the real fight against trafficking? For a very long time, the European Commission has spent money on things that are perfectly agreeable, so that there is a circus of attending seminars going on around Europe. People stop off at each country; they see each other; then they move on. Very few organisations, however, are doing the work that needs to be done and those that are trying to do it cannot get funding from the Commission because it favours conferences, seminars and a research approach rather than doing something to tackle the problem.

Mr. Woolas: Let me answer that point very carefully. The answer is yes. I believe that we have seen a pendulum swing in the direction that the hon. Gentleman has mentioned, and I believe that the evidence to show it is there. The recent appointment of the new British head of Europol provides such evidence. We are now seeing a shift in attitude, particularly from the French and organisations involved in Frontex, towards a much more pragmatic approach.

My personal view is that there has been a failure to recognise the reality of the problem and that too much emphasis has been placed on the assumption that all accession states are at the level of the original member states, which is simply not the case. Secondly, there has been a growing realisation of the economic damage. I

[Mr. Woolas]

realise that it should not require economic damage to make agencies respond more effectively to this human issue, but the reality of today's world is that it does.

There have been some significant developments in countries in south and eastern Europe. Let me provide a small, but not trivial example—the banning of speed boats in Albania, which took place last year because those boats were being used literally to fast-speed young kidnapped girls across to Italy. The banning of speed boats caused a tremendous hoo-hah in Albania, but the public realised that it was necessary, although people in Italy and Albania had previously not been aware of the extent of the problem. This is a cat-and-mouse game and the criminals involved in it are extremely sophisticated—they could even be heads of organisations. As I have said, there has been a pendulum swing, and I commend that approach.

Let me move swiftly on. All this work is complemented by the United Kingdom Human Trafficking Centre in developing the Blue Blindfold brand, which the hon. Gentleman has mentioned. Blue Blindfold is the international campaign of the United Kingdom Human Trafficking Centre, which it uses to endorse specific projects to counter human trafficking and to ensure that those projects are sustainable and not just one-offs. The aim of the campaign is to encourage law enforcement agencies, other professional bodies and the public to develop greater awareness of the issue. The Blue Blindfold brand is increasingly being adopted by international partners, including Crime Stoppers International.

Our campaign, which is linked with the Blue Heart campaign run by the United Nations Office on Drugs and Crime, encourages all sections of society to be aware of the dangers. The US State Department's 2009 "Trafficking in Persons" report described the campaign as one of the "Commendable Initiatives Around the World", and we were grateful for that recognition. We will, of course, continue to use the brand to raise awareness, collaborating not just internationally but, crucially, with local authorities in this country. As we have heard today, the problem is widespread. Many people assume that it is a particularly urban problem, but that is not the case. I am sure that the constituents of the hon. Member for Ashford have been horrified to learn of what goes on. We have seen many examples of exploitation of this kind, the Morecambe bay example being perhaps the most high-profile.

Our commitment to instituting a strong enforcement response against those who seek to trade in humans is clearly critical. That is why we included anti-trafficking legislation in the Sexual Offences Act 2003 and the Asylum and Immigration (Treatment of Claimants, etc.) Act 2004. The hon. Member for Totnes was kind enough to pay tribute to the Government for introducing legislation in an attempt to end trafficking. The House is often criticised for producing too many Bills, but an evolving problem such as this requires legislation.

Through the efforts of the UKHTC, enforcement bodies such as the police and UKBA, the Crown Prosecution Service and the Gangmasters Licensing Authority, we have continued not just to strengthen legislation but to improve enforcement capacity, ensuring that human trafficking becomes core police business. Whatever the outcome of the debate about the border force, we must not lose sight of the importance of the mainstream police force's prioritisation of the issue. That was the main topic of conversation at the recent West Midlands police federation Christmas event, an informal gathering of police officers from constable to superintendent level which was hosted by the House. I am sure that all Opposition spokesmen and Ministers hear similar views when they talk to forces around the country.

Let me list some of our key achievements. We have increased the number of convictions, including convictions for forced labour. The statistics given by the hon. Member for Ashford are, on the face of it, not as good as we would all like them to be, but our partnership approach means that prosecutions may employ other routes—for example, we can secure convictions through the taxman or through unrelated legislation. Criminal activity does not always take place in a single area. I do not criticise the hon. Gentleman for using those figures. Indeed, I want to see a conviction rate of 100 per cent., but that will take time, and we should not do down the officers who are using more sophisticated approaches. I wish that some tabloid journalists would understand that, rather than merely going for the quick headline.

As I said earlier, we have strengthened the legislation on labour trafficking to make it an offence to use a child or a vulnerable adult for gain. That is important, because of the fear that victims' families will be threatened. I am not saying that it has entirely got rid of the problem, but it allows a villain to be prosecuted without the need to rely entirely on witnesses. I have already mentioned that we are ensuring that combating trafficking is part of core police business, and that is boosted by the introduction of the mandatory training on human trafficking for all new police officers.

A number of significant anti-trafficking operations have been, and are being, carried out. I was in Manchester on Wednesday, looking at the new headquarters of the local immigration crime team. About a dozen operations are taking place this week, as we increase our capacity to tackle not only trafficking itself, but connected activities such as the crime of sham marriage.

I have also already mentioned that we are working with international organisations. We are working to improve the situation in respect of prosecutions, too, through raising awareness in the judiciary. A key argument in the speech of the hon. Member for Totnes was that the judiciary are sometimes not as aware as they might be of the scale of the problem and the extent of the damage that can be done.

The Serious Organised Crime Agency is a key asset in countering the threat from organised criminals involved in trafficking. SOCA participates in the disruption and dislocation of the market for trafficked women for the UK vice trade and trafficking for labour. That disruption is a SOCA priority. We co-ordinate the work of the different agencies through two programme boards, both of which are chaired by senior SOCA officers. The boards focus on organised immigration crime within and outwith the UK, and their activities are aligned with the objectives set out in the UK action plan on human trafficking. To put this in layperson's terms, a job does not get done unless it is somebody's job to do it, and we have made this somebody's job. I am sure Members support that common-sense principle.

Mr. Steen: The Minister's comments are music to the ears of many of us. What the Government are doing is very good news, as is the progress that has been made over the past three or four years. The Minister must be aware, however, that there is a much bigger issue. The police are the key to detecting both the traffickers and the victims. Other police forces in Europe are not as up to date as ours is now, and many of them are riddled with links to the mafia and there is a tremendous amount of corruption. What can we do to establish a sufficient level of sophistication among the police forces of other EU countries and to make them aware of what we are doing here and of our successes?

Mr. Woolas: I agree with the hon. Gentleman, as do the Government. I have mentioned the economic damage trafficking does, and it is, perhaps, a sad world if it is the economic damage that causes people to prioritise this issue, but there is a discernible shift in attitude in Europe. There is also, of course, a debate to do with the client countries who wish to join the EU, and the Government's approach to that is to say that we require not just intent, but evidence that those problems are being addressed. Indeed, I recently met the relevant Moldovan Minister. We discussed a range of issues, including this one. All the time, such meetings are taking place and work is being done.

As I have just said, one of the advantages now is that it is somebody's job to address this issue. I think it was Chairman Mao who said that the goat that belongs to everyone starves to death. That is probably the most principled argument against communism—and damn right as well. If a task is nobody's job and everybody's job, it does not get done. The board we have created has the job of leading this work. Attention must be paid to getting across to the enforcement agencies and security services that there are huge advantages in respect of making progress in their work and achieving their goals in addressing trafficking, because, as we all know, crime is linked in with it.

Bringing together and focusing the work of SOCA with the United Kingdom Human Trafficking Centre, to which we second staff, and with domestic law enforcement agencies to deliver this concerted response is the right way forward. The relationship will grow closer and stronger after 1 April, when the UKHTC falls under SOCA's remit. That initiative is to be welcomed.

As I have said, a focus of SOCA is combating the threat abroad. In the last year, this has involved increased engagement on the part of our global network of liaison officers—I love that phrase, Mr. Deputy Speaker; you can imagine what the lads call themselves, and very decent, professional officers they are—in 40 countries around the world. They work closely with our own international directorate in UKBA.

Let us consider one of the advantages of bringing together into a single organisation—UKBA—immigration officials, customs officials and visa officers overseas. I can tell the hon. Member for Totnes, by the way, that it is now the Home Office that oversees issuing visas, not the Foreign Office, and I shall come on to the case of Gabriella in a moment. The staff who process the visa applications are employees of UK Visas, which is part of UKBA. This is a tremendous weapon that we can use, through the greater sharing of intelligence and joined-up working from start to finish.

Let me give one example that has been in the public domain. Our officers have been working in rural areas of Nigeria, following fraudulent attempts to gain visas and connecting that with sponsors of visas in London and elsewhere in the country. Giving intelligence to, in this case, the Metropolitan police at a divisional commander level is disrupting this type of activity. So the international directorate of UKBA is part of the jigsaw puzzle, as well.

I have mentioned raising awareness within the judiciary. The CPS published updated legal guidance on human trafficking in 2009 to reflect the changes arising from the implementation of the Council of Europe convention, which the hon. Member for Totnes campaigned for. To be fair, the hon. Member for Ashford has raised that issue as well. This guidance emphasises the role of the CPS in identifying potential victims who may have committed criminal offences under duress or coercion. The hon. Member for Totnes gave an example of this problem occurring in central London, whereby people are forced to commit crime through threat of violence against themselves and their families back home. An awareness of this issue on the part of CPS authorities is critical in order to provide help.

Of course, there is the question whether the 2012 Olympic games will be used by organised criminals to traffick people. We are very much aware of that, and I am grateful to the Minister for the Olympics for the work that she is doing. I want to reassure hon. Members that there is no indication so far of an increase in human trafficking to the UK linked to the 2012 games. The key agency that is on top of this issue is of course the Met, which has dedicated resources and officers to it.

The Met had an internal review of how it tackles organised immigration crime, including trafficking. It has decided that from 1 April this year—the new financial year—responsibility for tackling this crime will transfer to the clubs and vice unit from the Met trafficking team. In turn, the unit will be supported by the assets of the Specialist Crime Directorate. Again, that reorganisation is focusing exactly on what the hon. Gentleman is rightly campaigning for—implementation. The idea of his anti-slavery day is of course to draw attention to this type of activity. There is, therefore, a sensible strategy in place.

We agree with the following statement made in Assistant Commissioner Cressida Dick's assessment:

"investigating this key area into one single command will mean better co-ordination, less duplication and more accountability in the service we provide to victims."

I am grateful to her for that, and I think the hon. Member for Totnes would welcome it too.

Mr. Steen: I think the Minister would like to know that the jury is out on the disbanding of the human trafficking team in the Met, which occurred when the Home Office withdrew its special funding. The jury is out on whether putting this work under one command—this particularly applies in respect of the clubs and vice unit, which is not known for its work on tackling human trafficking—will be a good idea. The all-party group has had a meeting with Assistant Commissioner Cressida Dick and we were very impressed by her grasp of the problem, but, as I say, the jury is out. We are working closely with her and we hope that an improvement will take place.

Mr. Woolas: I understand that, and the hon. Gentleman is right to say that we should always have an open mind on this. I know he will agree with this next point, because he is an experienced businessman and chief executive. The structure is not what is important; what is important is what is going on. Part of the solution lies in increased awareness, because the more the authorities see that this place, the public and the newspapers are interested in this issue and are demanding action, the more their activity will be focused. Thus, it does not matter, ultimately, in which bit the work is done. However, I take his point and I take his advice.

The hon. Member for Ashford said that the all-party group on trafficking of women and children is an "exemplar" of what an all-party group should be. I have found that it knows what it is talking about—my goodness me it does—and that surely is the benefit of it. Given what has been going on this week, I wish we could reflect on that recognition of that knowledge, dedication and skill; it is why I do not think the hon. Member for Totnes should be standing down from the House, but he has made up his mind.

In the past six years, the Government have worked increasingly well with a network of partners to improve the support and protection of the victims, and I come to the most important point. Our work has included the provision of safe accommodation to get people, often traumatised women, out of harm's way and protecting them. The hon. Gentleman gave us one example of this, and anyone who looks at the POPPY project's work, particularly the photographic exhibition, will be sickened to find that these things are happening in the modern world.

The Government have also worked on developing specialist emotional and practical support for these people, who have been traumatised, often over a number of years, by their experiences; assisting with voluntary returns to home countries in a safe way—the development of that strategy is crucial; ensuring minimum levels of service from the criminal justice agencies under the victims code of practice; providing access to compensation in certain circumstances; and providing training for agencies that may encounter possible victims. Those are a number of the approaches that we are taking to try to provide support. I hate the word "holistic", but it is obviously desirable to provide holistic support, because it means that the state should look after the individual, rather than just the bit of the individual for which it is responsible—that approach can sometimes do more harm than good if we get things wrong.

Such protection is vital, not just for the individual that we have been able to help but for the message that it sends out. It gives victims confidence that there is a safe place to go and that the authorities in this country are aware of this problem. That is very helpful in breaking the code of omerta that sometimes exists in organised criminal activity and in giving encouragement to victims, be they children, young women or men.

The hon. Gentleman will want to know the answer to the question, "How much money?" We have invested in an expansion of supported accommodation with refuge places for victims of trafficking for sexual exploitation and domestic servitude in London, Sheffield and Cardiff. That investment has also funded an increase in advocacy workers to help to provide tailored support to the victims and includes access to independent legal advice for immigration purposes. The most difficult decisions that one has to take in UKBA are often in this area—they are difficult in the sense that it is sometimes an awful experience to comprehend the background to them.

We are also committed to ensuring that front-line staff who come into contact with victims of trafficking have clear guidelines on their responsibilities when trafficking is suspected, as well as ensuring that victims are provided with safe advice.

Mr. Steen: I recognise that the Government have done a very good job with the police in making this police core business. In fact, part of the campaign of the all-party group was to make it core police business. The Minister will remember the questions that came from all parts of the House on that. However, the Government are weak on funding non-governmental agencies. They are the ones that are pushing forward the agenda, identifying the victims and explaining where the weaknesses are. Other than the POPPY project, which we both accept does invaluable work, the non-governmental agencies are not getting help at all. That is what concerns me—not the police, as I think they have it under control, not the statutory bodies, such as UKBA or the UK Human Trafficking Centre, but all those dedicated non-governmental agencies that are working on a pittance without a penny piece of public support.

Mr. Woolas: That raises difficult areas of public policy that we all recognise in the debate between the desirability of the devolution of powers and the desirability of ring-fencing. The Supporting People housing support budget, which is about £2.1 billion, helps to address this problem.

There is an assumption that this is an inner-city problem. Support groups often find themselves unable to get finances and advice, because there is an assumption that this problem does not take place in Totnes and Ashford, to name just two areas. If I were the hon. Gentleman, I would make that an argument for the Bill—it focuses attention. It has been difficult to find out the extent of the support that exists. Some of it is done through our network of refuge support centres—of course, there is an immigration tie-in there—and some through the Department for Communities and Local Government. The Local Government Association should be thanked, too. The hon. Gentleman makes a valid point and it is an argument for his Bill that I would certainly use if I were him.

May I remind hon. Members of the key elements of the Council of Europe convention, which we ratified, as the hon. Gentleman said, in December 2008? This represents a major milestone in the fight against human trafficking, and has strengthened the protection arrangements for victims by granting identified victims an extendable 45-day recovery period and one-year temporary residency permits in certain circumstances. These measures go further than the minimum standards outlined in the convention. The United Kingdom should be proud of that.

Mr. Steen: Let me explain to the Minister why he is wrong. It is good that the Government have gone for the option of 45 days, but two months for a girl who has been traumatised and subjected to violence is not nearly enough to get her oriented and to help her to give evidence against the very people who have been involved

in that violence against her. The Austrians give a year and a work permit or identity card, as do the Italians. The Austrians have an outstanding record of convicting traffickers because the victims feel safe in that country. Here, they fear they might be deported because after two months the period of reflection ends and they are hassled to leave the country. Although it is an improvement on the Council of Europe convention's 28 days—it might be 45 days; I might have it wrong—the Austrians and the Italians give a year and I would like to think that the British Government might consider so extending the period of reflection.

Mr. Woolas: I draw the hon. Gentleman's attention to the conjunction that I used: I referred to the granting of an extendable 45-day recovery period and a one-year temporary residency permit in certain circumstances. He may argue that the latter should be automatic. I shall provide a little of the background to decisions on these matters.

There is protection in immigration rules for victims of domestic violence, to whom we provide refuge and can provide indefinite leave to remain. That is desirable, and the House supported the idea. However, it has resulted, in a number of instances—I would say a significant number—of abuse of that route for organised immigration crime purposes, through the use of what I believe those in police enforcement call sleepers. We have had cases of women who have asked to be beaten up so that they can get indefinite leave to remain. It is a sad world, but one has to be aware of that.

I am not suggesting that there is any evidence of such activity in this area; I am saying that we have an obligation to look at the individual when granting the 45-day recovery period and the one-year temporary residency permit. However, it would be foolish of me to say that 45 days is the be-all and end-all; we shall have to see. The policy is welcome and it is above the minimum required under the convention.

In addition, the establishment of a national referral mechanism has provided for the systematic identification of victims within a framework designed to make it easier for organisations to co-operate and share information about potential victims. That brings us to the hoary old chestnut of data sharing. I think that civil libertarians sometimes need to get real about the obstacles that can be put in the way of well-meaning organisations. We have moved forward on that with support from all the parties and local authorities.

We have not been reliant on the ratification of the convention to provide support to victims. We have invested £5.8 million in the POPPY project since 2003 to provide specialist support for victims trafficked into sexual exploitation. That includes as a minimum safe accommodation, advocacy, access to counselling, access to legal advice and interpretation services. The POPPY project has provided support to more than 500 victims of human trafficking since 2003.

A further £3.9 million is being spent over the current and next financial years on specialist services for victims of all forms of human trafficking. That figure includes a grant agreement between the Home Office and Migrant Helpline to provide support and accommodation to identified victims of forced labour. That grant agreement represents a further development in the support mechanism for victims of forced labour. Migrant Helpline, our non-governmental organisation partner, supported 169 people between June 2008 and September 2009 and supported three police operations last year.

That area of work has been enhanced by the creation of the pay and work rights helpline, through which the Greater London authority, the Employment Agency Standards Inspectorate, HMRC, the Department for Environment, Food and Rural Affairs—because of the link to agricultural labour—and the Health and Safety Executive work together to deal with multi-complaint issues.

Victims of trafficking can also access the wider provision available to all victims of crime, including the Victim Support service, the service for victims of sexual crimes in England and Wales, on which we have spent £4.65 million, and increased funding for sexual assault referral centres, rape crisis centres and the Survivors Trust.

Child trafficking is a particularly emotive issue for us all. Measures to care for children who are victims of trafficking need to be attuned to the vulnerability of children. The hon. Member for Totnes gave the example of Hillingdon. We have done a great deal of work on biometric fingerprint reading and biometric photographs, which are required on all visas, which means that we are now able to identify a person even if their passport has been destroyed. Identity fraud or misuse is a key weapon of the criminal, and through biometrics we now know who people are, which is a huge advantage in prosecutions and enforcement activities. Again, I wish that Liberty would pay attention to that point. Sometimes, the taking of data can help to protect someone's civil liberties. What if a victim of child trafficking were told, "We can't identify you, and we can't prosecute the criminal exploiting you, because we're not allowed to take data"? That is not a civil liberties argument by any stretch of the imagination.

On the needs of children, we have established, by giving somebody the job of doing it, joint work with children's services, the police and other law enforcement agencies, the Child Exploitation and Online Protection Centre and, of course, the Human Trafficking Centre. The missing persons taskforce, which was launched by the Prime Minister recently, is looking at how that joint work can be improved.

Recently, child trafficking training for immigration officers and other UKBA staff has been improved, and that ensures the continued awareness of our officers at the border. Let us remember that that now includes customs officials and immigration officials, and involves partnerships with police, including special branch—a special branch from outside London; I cannot remember the name—other specialist agencies and other parts of the security forces, including the intelligence agencies.

We have published revised arrangements and guidance for Crown prosecutors, including on the consideration of cases concerning juveniles found on cannabis farms and involved in other criminal activities. We have stepped up our efforts to tackle the problem of potentially trafficked children going missing from care, the Hillingdon example being prominent in that regard. We have introduced further measures to raise awareness among practitioners and improve their ability to identify children who may have been trafficked into the UK through the application of the national referral mechanism. We also published "Safeguarding Children and Young

[Mr. Woolas]

People from Sexual Exploitation". A significant amount of work has therefore been done, but we are far from complacent on the issue.

I have talked at some length to try to get across the desirability of that work, which is backed up by the Bill. Let me finish by repeating the offer that I made at the beginning of my remarks. We believe that drafting improvements could be made, but we do not want to stop the Bill, because that would not be right. However, there are some arguments that need to be had.

Mr. Steen: I thank the Minister for his marathon speech, which was riveting. I think the whole House was engrossed. He was going to talk about the Gabriella case, which he mentioned a short while ago. Before he sits down, will he just say exactly what is happening in that case?

Mr. Woolas: I am grateful to the hon. Gentleman. I spoke at length not because I was instructed to do so by the Whips—although as a former Whip, I hasten to add that I would have done, had I been so instructed. Do they not say in this place, "Once a Whip, always a Whip"? I spoke at great length because the subject is hugely important. The core of the hon. Gentleman's argument is absolutely right. I confess that up to 18 months ago, before I did this job, I did not have a clue about the depth and extent of the problem. I have been appalled as a human being, let alone as a politician, by what goes on.

The case of the lady referred to as Gabriella is one example. UKvisas is an operation of UKBA, and I have been in communication with the chief executive this morning. I have met our ambassador in Moldova in the past few weeks, and I will do what I can to reunite that family as soon as possible. I do not know what the objections of the Foreign and Commonwealth Office are, although I can imagine. They are dedicated professional people, but they will have to help. We will do whatwe can.

Perhaps the good side of this job is that sometimes we can intervene and help someone. We brought a girl back from Iraq in similar circumstances a few weeks ago, after a campaign led by the hon. Member for Richmond Park (Susan Kramer), so it can be done. I give the hon. Member for Totnes a commitment that I will do what I can to ensure that that is the case.

The hon. Gentleman has reminded me to check that I have answered all the questions. I think I have done so. The hon. Member for Truro and St. Austell (Matthew Taylor) spoke for the Liberal Democrats in support of the Bill and it is good to see him in his place. We have our differences with the Conservative Opposition on some areas of policy, particularly on their futile idea of a cap on tier 1 and tier 2, and their misunderstanding of the partnership that exists between border force officers and Her Majesty's constabulary, but overall we can say that police forces work very closely together.

The hon. Member for Totnes has built a powerful all-party consensus which does not take as its starting point the obvious statement that something should be done, but puts in place strategies that bring about enforcement. He argued for his Bill in that context, not as a token name or day. Some people will say, "Another day off, another week of action, another token gesture." That is not the intention of the Bill, and it is not how the Government see it.

Question put and agreed to.

Bill accordingly read a Second time.

Ordered, That the Bill be committed to a Committee of the whole House.

Committee this day.

Mr. Deputy Speaker (Sir Michael Lord): Occupants of the Chair have deprecated proceeding at once from Second Reading into Committee without notice, since it makes it difficult for Members to table amendments.

Anti-Slavery Day Bill

Considered in Committee.

[SIR MICHAEL LORD *in the Chair*]

The Second Deputy Chairman of Ways and Means (Sir Michael Lord): There are some amendments to the Bill. Amendment papers are available in the Vote Office and, for the convenience of Members, they are also available in the Chamber.

Clause 1

ANTI-SLAVERY DAY

1.13 pm

Mr. Andrew Dismore (Hendon) (Lab): I beg to move amendment 1, page 5, leave out from 'that' to 'millions' in line 6.

The Second Deputy Chairman: With this we may take the following: amendment 2, page 1, line 7, leave out 'modern-day'.

Amendment 3, page 1, line 10, leave out 'modern-day'.

Amendment 4, page 1, line 14, leave out 'modern-day'.

Amendment 5, page 1, line 17, leave out 'modern-day'.

Mr. Dismore: I shall not detain the Committee long, and I hope the hon. Member for Totnes (Mr. Steen) will accept the amendments. As he knows from the Second Reading debate and private discussions, one of my concerns about the Bill is about the references to "modern-day" in the context of slavery and to the transatlantic slave trade.

People from the African continent find references to "modern-day" slavery and the transatlantic slave trade in this context somewhat offensive. I know this, as does the hon. Gentleman, I hope, from work that I have done in the Inter-Parliamentary Union. At the IPU Assembly several years ago, I spoke on trafficking and proposed a draft resolution.

The representatives of African countries were insistent that such references be removed because they do not consider it appropriate to compare what is happening now to what happened to people from Africa who were enslaved and taken to the American continent in the 18th and 19th centuries. They do not feel it is appropriate to compare the suffering of their ancestors with the modern position. It would therefore be more inclusive if the amendments were made to tidy up the wording.

1.15 pm

Mr. Anthony Steen (Totnes) (Con): I accept that amendment in its entirety.

Amendment 1 agreed to.

Amendments made: 2, in Clause 1, page 1, line 7, leave out "modern day".

Amendment 3, page 1, line 10, leave out "modern day".

Amendment 4, page 1, line 14, leave out "modern day".

Amendment 5, page 1, line 17, leave out "modern day".—*(Mr. Dismore.)*

Clause 1, as amended, ordered to stand part of the Bill.

Clause 2

SHORT TITLE AND EXTENT

Question proposed, That the clause stand part of the Bill.

The Minister for Borders and Immigration (Mr. Phil Woolas): I shall try to be helpful—very briefly. At the beginning of my remarks today, I said that there was an offer of parliamentary counsel help on some of the wording in this clause, so I shall not object to it at this stage, but I give notice, out of fairness, that we may wish to introduce amendments in the other place—should the Bill proceed.

Question put and agreed to.

Clause 2 accordingly ordered to stand part of the Bill.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Third Reading

1.17 pm

Mr. Steen: I beg to move, That the Bill be now read the Third time.

I spoke for just 50 minutes on Second Reading, but I was trumped by the Minister, who spoke for just on an hour.

Mr. John Randall (Uxbridge) (Con): It was very good, though.

Mr. Steen: It was very good. However, I do not think that a Third Reading speech would endear me to the House, so that will be the end of my Third Reading speech.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Damages (Asbestos-Related Conditions) (No.2) Bill

Second Reading

1.17 pm

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the Bill be now read a Second time.

Today is Groundhog day for this Bill, because its terms are exactly the same as those of a Bill that passed through the House last year. Unfortunately, there was insufficient time for that Bill to go through the other place before Prorogation last November. It received full Committee and Report stages, however, with amendments moved, discussed and, ultimately, withdrawn, so later today I hope to be able to put the Bill before us through all its stages, not out of disrespect to the House, but to point out the fact that this legislation has already been meaningfully debated.

Most Members know that for 20 years before I entered Parliament I was a personal injury lawyer, and I suppose that I still am: once a lawyer, always a lawyer. As the Minister for Borders and Immigration, said earlier, "Once a Whip, always a Whip." I have never been a Whip, but I have certainly been a lawyer, and I still have my practising certificate, although I do not currently practice.

This Bill is about pleural plaques, a thickening of the lining of the lung. They are usually visible on an X-ray or a CT scan, and they are caused by exposure to asbestos. It is hard to imagine someone's fear if they are at risk of developing an evil, disabling illness such as mesothelioma, and there is a statistical connection between the two, although a medical causal connection is debatable. The fact remains, however, that the statistical connection indicates to people that they are at a much higher risk than the population at large of developing mesothelioma. It is a painful and always fatal illness, and during the course of my practice and, indeed, my time in the House, I have met many pleural plaques sufferers who have expressed their strong feelings about the issue and the problems that have recently arisen because of court decisions.

Until recently, pleural plaques were compensated under common law. Since 1984, there have been three cases against the Ministry of Defence, the leading one being Church *v.* MOD, involving a diagnosis of asbestos-related pleural plaques—or asymptomatic fibrosis on the pleural lining of the lungs, as it is described in the cases. In the Church case, it was decided that the condition constituted an injury, enabling damages to be claimed. The amount of compensation varied, but before the cases that stopped the claims being brought, it was in the region of £7,000 on a provisional damages basis.

In the 2006 case of Rothwell, the Court of Appeal found that pleural plaques were not compensatable, mainly on public policy grounds. The Court refused to aggregate the condition of pleural plaques with the anxiety and distress that they cause, deciding that each individual condition was not compensatable and that the courts could not look at the aggregate of both pleural plaques and the psychological conditions that they cause because the two were separate.

If the psychological condition involved was a recognised psychiatric illness, that would be different. However, the psychological conditions of pleural plaques sufferers do not get so severe as to be considered diagnosable psychiatric illnesses. In this day and age, unfortunately, the legal system still treats injuries to the mind rather more severely than injuries to the body. Compensation is not awarded on a fair basis, comparing one with the other.

I return to the relevant cases. In autumn 2007, the Rothwell case was upheld by the House of Lords in the case of Johnston. In fact, it was the same case; several cases were heard together. The House of Lords upheld the Court of Appeal decision that pleural plaques were not compensatable, and that has been a cause of concern in the wider community and the House ever since. That concern has been the subject of numerous parliamentary questions, early-day motions, amendments to Government Bills and attempts at private Members' legislation, including my own Bill last year. It has also been raised in I do not know how many Adjournment debates. There is no perfect option for dealing with the issue; various proposals have been debated and suggested but unfortunately the Government have not announced a formal position. That is why this Bill is a good way forward.

Pleural plaques represent a serious condition that affects many people, and doing nothing is simply not an option. My Bill tries to build on what has happened in Scotland, which is ahead of the game. The Scottish Parliament passed its own legislation to restore the position in law to where it was before the cases in the Court of Appeal and House of Lords. That Bill has now achieved Royal Assent in Scotland. There were attempts to challenge its legality through judicial review, but they failed in the Scottish courts; the outer house made a strong judgment that made it clear that certain points, particularly those arising from aspects of the European convention on human rights, were not sustainable.

My Bill is modest; all it seeks to do is turn back the law to where we all thought it was prior to the decisions of the courts. Doing that, however, would mean that the insurers, who were on risk at the time, would meet the liability rather than getting the windfall of having collected the premiums without having to pay out on the risk. The Bill is tightly drawn; it is not the thin end of the wedge and it will not open the floodgates to any form of parallel litigation for other illnesses or injuries. It relates purely and simply to pleural plaques.

The Bill maintains the basic principles of negligence or breach of statutory duty as the test for liability. The burden of proof that the claim exists and should be upheld is still on the claimant. The Bill provides for a suspension of the limitation period from the date of the House of Lords decision until the coming into force of the Bill. That is only fair, but it would not affect any cases that were already settled or decided in the courts. There would be no question of trying to reopen cases that were finished. The Bill also leaves out Scotland, which, as I have said, has made its own arrangements already.

The Bill is an important measure. If pleural plaques were outside the body, there would be no argument about their being compensatable, yet because we cannot see them they do not count, according to the House of Lords. The psychological injury in such circumstances can be looked at by the courts only if there is a physical injury that they consider compensatable. The House of Lords has ruled that the internal scarring of pleural

plaques is not compensatable as it would be if it were on the outside, so the psychological consequences cannot be compensated.

Matthew Taylor (Truro and St. Austell) (LD): I commend the hon. Gentleman for his pursuit of this issue. There is a particularly extraordinary position in relation to psychological damage and it appears to contradict established practice in other areas. I hope that, at the very least, his return to the scene will address that issue.

Mr. Dismore: I am grateful to the hon. Gentleman. Basically, the problem is that the test for a physical injury is subjective. It is sometimes referred to as the "thin skull test"—the victim is taken as found, and if they have a thin skull and have had a brick dropped on their head, that is hard luck for the tortfeasor and the victim is compensated according to the injuries sustained. When there is psychiatric injury, that is not the case; it is assessed on an objective basis, with the victim assessed not as found but according to a "reasonable man" test, as it were. That is unfair. Our legal system discriminates against psychiatric injury compared with physical injury.

My concern is that if my Bill does not go through, the campaign for reform of the rules on psychiatric injury in general will gather strength. The system is ripe for reform anyway, but the failure to compensate for pleural plaques, and for associated psychological injury that is less than a diagnosed psychiatric injury, needs to be dealt with now. If it is not, the momentum behind the campaign for widespread reform of psychiatric and psychological injury law will gather much greater momentum and ultimately become irresistible. The Bill is a good halfway house that will alleviate some of the pressure, so that we do not end up in that position.

Mrs. Eleanor Laing (Epping Forest) (Con): The hon. Gentleman mentioned the legislation in the Scottish Parliament. I recall that when we last debated the issue last April, we noted that the Scottish Parliament had asked for the costs of the implementation of its legislation to be monitored. Does he have any information about the monitoring of costs in Scotland?

Mr. Dismore: I think that legislation has only just come into force, so it would be difficult to monitor the costs so far, but they arise in two situations. One is when the Government are the de facto defendant, often standing in the shoes of a former nationalised industry, and the other is when the defendant is a private company. As I understand it, the Scottish Bill has either only just come into force or is about to, consequent upon the judicial review challenge having failed, so it is too early to discuss whether there are any costs, and if so, what they amount to. I understand the UK Government's position to be that any costs should fall on the Scottish Government, as I think they now call themselves, rather than on the UK taxpayer. That remains to be seen, and it is a matter for them to negotiate between themselves.

The hon. Member for Truro and St. Austell (Matthew Taylor) made the point about the different treatment of psychiatric injury. I believe that the Bill will resolve that issue, because it provides for the illness and injury of pleural plaques to be designated actionable damage, which is the key to unlock compensation for psychological consequences that may be less than a diagnosable psychiatric illness. There could then be compensation both for the pleural plaques themselves and for the lesser psychological consequences, which was what everybody thought the law was before the House of Lords intervened.

I hope that my Bill will find favour with the House, as it did last time. It was extensively debated in the previous Session, so I hope that the House will not only give the Bill a Second Reading today but put it through all its stages, bearing in mind that it has passed them before.

1.28 pm

Mr. John Randall (Uxbridge) (Con): I congratulate the hon. Member for Hendon (Mr. Dismore) on bringing the Bill back to the House and on his tenacity on this important subject. I mean this with no disrespect to him, but it is very much a lawyer's Bill. As a layman, I listened to his explanation hoping to find out exactly how the Bill would work. I think I got the general drift, but some of the more intricate parts of it eluded me.

I have a constituency interest, because for many years we had an asbestos factory in the area in which I have always lived. It seems that many people in my constituency suffer from various asbestos-related problems, including mesothelioma. I know the problems that that causes them, both physically and mentally, so anything that we can do to try to alleviate them—not only through compensation, but by recognising that we now understand what can happen—is to be welcomed.

I have listened to the various arguments and looked into terms of the hon. Gentleman's Bill, and there are some concerns. However, as he said, it has been scrutinised in this House already, so, if possible, we should allow it to go down to the other place. If the Lords have any further worries or questions, it is appropriate that they should raise them there. Saying that, I wish the hon. Gentleman good luck with his Bill.

1.30 pm

Mrs. Eleanor Laing (Epping Forest) (Con): I apologise to you and to the House, Mr. Deputy Speaker, for not being as audible as I usually am. I shall therefore be brief, in order to spare the House the horror of listening to my strained voice.

I congratulate the hon. Member for Hendon (Mr. Dismore) on his persistence in bringing forward this important Bill again. We had a long debate on the matter on 24 April last year. I understand that the Bill has been in Committee since then, and he is right to bring it back here. When we discussed the Bill last year, everyone who spoke, from all parts of the House, expressed their compassion—I certainly did—for those who have worked, sometimes for a lifetime, in conditions that they did not know, and which their then employers were not aware, were dangerous because of the presence of asbestos.

There are now generations of people suffering from asbestos-related illnesses—people who gave a lifetime's service, not only in private companies, but in the service of our country, doing important jobs in the armed forces and nationalised industries. They are suffering now, but there are generations to come who do not yet know the extent to which they will suffer. I appreciate that that is the point of the hon. Gentleman's Bill.

My hon. Friend the Member for Uxbridge (Mr. Randall) said that this was a lawyer's Bill. I am with the hon.

[Mrs. Eleanor Laing]

Member for Hendon on that: perhaps it is a lawyer's Bill, but I confess to also having been a lawyer once. As I think I mentioned last year, when I was a young articled clerk, a long time ago, I dealt with difficult asbestosis cases.

Mr. Dismore: I did not take the suggestion that the hon. Member for Uxbridge (Mr. Randall) made in a pejorative way. My Bill is a lawyer's Bill in the sense that lawyers can understand it, because it deals with our concepts, but it is also a Bill meant for ordinary, common, working people and their families who have suffered from a debilitating problem.

Mrs. Laing: Of course it is, and in no way was I being pejorative about lawyers. Indeed, I was about to say to the hon. Gentleman that because I have dealt with the matter in a previous professional life—not quite to the same extent as him, but to some extent—I understand only too well why he has brought his Bill forward. It would allow a causal link to be established between certain actions by employers and future illnesses that might arise. I also appreciate that that is where the difficulty lies. As he said, if pleural plaques were on the outside of the body, they would be a recognisable disease and the difficulty would not arise. I fully understand the difficulty of recognising pleural plaques for the unusual condition that it is, and I give him credit for bringing that difficulty before the House for consideration. Pleural plaques do not cause illness or pain—although some argue that they do—but the psychological effects of having them diagnosed affect people and their families, as he has previously explained. The last time we debated this, the hon. Member for Hendon said:

"The problem is that psychological injury in these circumstances can be looked at by the courts only if there is also a physical injury that they consider compensatable. My Bill simply tries to establish that pleural plaques are compensatable, so that a link could therefore be made to the psychological injury."—[*Official Report*, 24 April 2009; Vol. 491, c. 534.]

I appreciate the hon. Gentleman's point: I recall him giving that clarification of the causal link theory for the benefit of those normal people who are not steeped in personal injury law.

I also appreciate, however, that there are various views in the medical profession on the way in which pleural plaques can be interpreted as affecting a person's health. I will reiterate the evidence of Dr. Robin Rudd, a recognised expert on this matter. He has said:

"Pleural plaques are not thought to lead directly to any of the other benign varieties of asbestosis-induced pleural disease".

Dr. John Moore-Gillon of the British Lung Foundation has also said:

"Pleural plaques do not themselves 'turn malignant' and become a malignant mesothelioma. They do not in themselves cause asbestosis to develop, nor do pleural plaques increase the risk of lung cancer, and they are a different condition from diffuse pleural thickening."

I know that the hon. Gentleman will accept that those are correct medical diagnoses.

Mr. Dismore: Pleural plaques are evidence of exposure to asbestos. The question of a medical link between the one and the other may be arguable, but the statistical link is not. We know the number of people who suffer from pleural plaques, and the number of people who get mesothelioma, and the one is evidence of risk of the other. That is what causes the psychological symptoms. A person who has pleural plaques will know that they have been exposed to the risks posed by asbestos, and it therefore preys on their mind that they are at greater risk of contracting mesothelioma.

Mrs. Laing: I entirely accept the hon. Gentleman's explanation. He makes his case very well.

We are speaking today about the psychological effect on a person of knowing that they have been diagnosed with pleural plaques. The difficulty is with the principle of compensation. It is unfortunate that the Government have not introduced a similar Bill. They have shown some enthusiasm for this one, and for this issue over the years, but not enough to introduce a Government Bill with the full backing that such a Bill would have. I do not mean political backing; I mean the access to the full medical evidence and all the other kinds of backing that a Government Bill would have behind it. I congratulate the hon. Gentleman on his persistence in bringing his Bill forward again.

I am worried that the hon. Gentleman has suggested that all stages of the Bill should be dealt with today. It is a short, precise, well-constructed Bill, but none of us has had the time or the opportunity to look in any detail at the matters that will be considered in its Committee stage.

Mr. Dismore *rose—*

Mrs. Laing: I am sure that the hon. Gentleman is going to say that his other Bill was considered in Committee, but I will allow him to say it.

Mr. Dismore: I know that the hon. Lady was present at the previous Bill's Committee stage last time, but because of a slight hiccup, which we need not go into, she was unable to participate in the Committee. This Bill is identical to the one that went through its Committee stage at that time. It was subject to amendments tabled and debated in Committee, as well as to amendments tabled and debated on Report, so it had had full consideration by the House before it received its Third Reading last October.

Mrs. Laing: I thank the hon. Gentleman for that explanation; he said exactly what I expected him to say. He is right that a technical error prevented me from taking part in Committee, but I witnessed those proceedings and I cannot disagree that the Bill was scrutinised to some extent. I nevertheless hope that if the Bill passes through the House today, it will be properly scrutinised in the other place. Although I do not disagree with the hon. Gentleman about the importance of the matters in the Bill—indeed, I welcome the clarification of the law that it entails—it is also important that we observe the proper procedures of Parliament when passing legislation, not least because this legislation is important and has far-reaching consequences, affecting many people. It may cost a lot of money and it is Parliament's duty to balance the needs and rights of the individual with those of the taxpayer and the public purse. I put it no more strongly than that, but I express my concern.

Ultimately, we are talking about being fair to people who, through no fault of their own, have contracted what might turn into a terrible disease. I approach the

issue with compassion and understanding for the individuals concerned and their families. That said, it is important to leave sufficient time to hear what the Minister has to say, so I shall conclude to allow him to address us.

1.42 pm

The Minister of State, Ministry of Justice (Mr. Michael Wills): I congratulate my hon. Friend the Member for Hendon (Mr. Dismore) on securing a Second Reading for this Bill, which deals with an extremely important issue. Issues of principle are raised, as well as practical issues; above all, this subject involves great human suffering.

I pay tribute to all who have followed the debate over many years, particularly to Members who have pursued the campaign. As we have just heard, my hon. Friend the Member for Hendon has been extremely diligent; this is his second attempt to get this Bill through the House. He deserves all our thanks for his persistence and diligence in this matter. I also pay tribute to my hon. Friends the Members for Blaydon (Mr. Anderson), for Jarrow (Mr. Hepburn) and for Barnsley, West and Penistone (Mr. Clapham), who have been equally diligent and persistent on behalf of their constituents. Many other Members have been involved, as we have received representations from them, from trade unions and from others who are deeply concerned about this issue.

Those who have followed the debate over the years will know that this is my first time speaking from the Dispatch Box on this particular subject. It is not, however, the first time that I have had occasion to deal with the issues raised in today's debate. As the Member of Parliament for North Swindon, I am acutely aware of these problems. As the House will know, Swindon is a great industrial town: it always has been; it was created by Brunel as a great railway town. It had great railway works, which sustained the town and helped it to grow over many decades.

Very large numbers of my constituents worked in the railway works, so they were exposed to asbestos. Mesothelioma, a particularly horrible disease, is, because of its prevalence, well known locally as "the Swindon cancer". Many constituents have had to live with it for many years, so I am deeply familiar with the problem. I have had to deal with some heartbreaking cases. I will always remember the pensioner who came to see me. Our meeting took a long time because he could not speak for tears, as he tried to describe how his wife had died from mesothelioma. He had not been diagnosed with it, but his wife had. She had contracted the cancer because every day when he came home from work, he had taken off his work clothes, which she washed for him before making his tea. As a result of that act of spousal duty, she had contracted this awful illness. He was consumed with grief at the loss of his wife, but also with guilt because his work had resulted in her contracting such a terrible illness.

As I have said, this subject involves complex issues of legal principle, difficult practical issues and weighty financial issues, but above all it is about human suffering of an especially acute nature. I know that all the Members who have raised it, including my hon. Friend the Member for Hendon, are deeply conscious that none of us should ever forget that human suffering is at the root of it.

Mesothelioma is a particularly unpleasant cancer. We have seen great progress in treatment of a range of cancers, but unfortunately we have not yet found a way of dealing with diffuse mesothelioma. It is always fatal and involves a very poor life expectancy of, on average, between 12 and 18 months following diagnosis, which makes the diagnosis particularly hard to accept. That bears directly on the issues raised by my hon. Friend the Member for Hendon about the psychological damage that can be caused by pleural plaques, which, as he has said, indicate exposure to asbestos. Those who are diagnosed with them will inevitably start to wonder whether they will develop mesothelioma, which is a particularly horrible illness because, I understand, very little palliative care is available. It is painful, and, as I have said, the diagnosis is invariably fatal.

The Government take mesothelioma extremely seriously, but it is difficult to deal with because, as with pleural plaques, the legal background is very complex. The hon. Member for Epping Forest (Mrs. Laing) was mildly critical of the Government—although not up to her usual coruscating standards—for not acting more swiftly, and I appreciate the urgency of the matter, but, as I have said, the issues involved are complex.

For many years, the defining mesothelioma case was that of Fairchild in 2002. In that case, the House of Lords held that a person who contracted mesothelioma after wrongful exposure to asbestos at different times by more than one employer could sue any of those employers, even if the employee could not prove which exposure had caused the disease. That is particularly important, because exposure to just one strand of asbestos can be clinically responsible for the development of mesothelioma. It is not a question of sustained exposure over many years. All of us Members who have encountered mesothelioma in our constituencies know that our constituents have often been employed in several workplaces, and that the same workplace may have had different owners. It has been very hard to prove legally which exposure led to the disease, and the Fairchild case was therefore extremely important.

When another case was brought, that of Barker *v.* Corus, the House of Lords decided that in a case within the boundaries of the Fairchild exception in which someone had contracted mesothelioma after wrongful exposure to asbestos at different times by more than one responsible person, the damages were to be apportioned among those responsible for the wrongful exposure according to their relative degree of contribution to the chance of a person contracting the disease. That means, in practice, that a claimant must trace all relevant defendants as far as possible before liability can be apportioned and compensation paid, and that the risk of any of those defendants' being insolvent and unable to pay the appropriate share falls on the claimant.

That decision was taken in May 2006, and I am sure that Members will understand the huge burden it placed on any potential claimants, as well as the deep distress it must have caused them. I make no criticism of the House of Lords in this case; it was applying legal principles in a way that it has complete discretion to do, and it is not for this House to criticise its decisions. However, the emotional and human consequences of that decision were profound, not least because when someone is diagnosed with mesothelioma, their life expectancy is typically 12 to 18 months. As I am sure my hon. Friend the Member for Hendon will understand

[Mr. Michael Wills]

from his previous life as a lawyer, the prospect of someone in such a situation having to go through such a tortuous legal process, and of having to try to identify all the possible employers in whose employ they might have been exposed to asbestos, would be enormously difficult and time consuming, and in practice would make it more or less impossible actually to get any compensation.

When this became clear, the Government moved with great speed. The House of Lords made its judgment in May 2006, and by July 2006 the Compensation Act 2006 had received Royal Assent. Through that Act, the Government took measures to rectify the Barker *v.* Corus judgment by enabling claimants to sue any of the negligent persons and then to recover 100 per cent. of the compensation on a joint and several basis. It would then be a matter for the defendants to apportion the damages they had paid between themselves.

That was clearly the right thing to do. It threw the burden of proof, and the responsibility for seeing through all the complex legal processes, on to the employer, not the mesothelioma sufferer at such a difficult and painful time for them and their families, when they and their loved ones are having to come to terms with this dread diagnosis. When we could see a way clear to take action, we took it, and we did so with great speed. In my time in the House, I cannot think of another occasion when any Government have moved with such speed to rectify a situation.

We will, therefore, move as quickly as we possibly can, but these are very complex and difficult issues, and I want to say a little about them. This Bill passed through a number of stages in the previous parliamentary Session and there have been several Adjournment debates on the subject it addresses. The issues have been raised with great force and cogency by a number of Members, therefore, and I am extremely grateful to them for everything that they have done to highlight the issue and to keep it in the public mind. The Government are sympathetic. I am going to respond very sympathetically to the Bill today, and I should also point out that an identical Bill is today receiving its Second Reading in another place.

The Bill provides for asymptomatic pleural plaques and the separate condition of asymptomatic asbestosis to constitute actionable damage under the law of tort for which damages may be awarded. The overwhelming balance of expert professional opinion is that about 99 per cent. of pleural plaques cases are asymptomatic and therefore difficult to diagnose, and only 1 per cent. are symptomatic. It is important to stress that in that relatively small number of cases where symptoms are exhibited so the condition is readily identifiable, it remains possible to bring a claim under civil law. This Bill therefore addresses asymptomatic pleural plaques. It also contains provisions on limitation and retrospectivity.

Mrs. Laing: For the sake of clarity, do the Government intend that asymptomatic pleural plaques, as a disease, will not give rise to compensation but will merely be noted in order to establish the causal link between the employment and the possible future development of asbestosis or other serious diseases such as mesothelioma? Is the Minister talking about that causal link, rather than having actual compensation for pleural plaques?

Mr. Wills: If the hon. Lady will forgive me, I will go through the argument first before I reach the conclusion regarding our attitude to the Bill. On her point about causality—if I understand her correctly—my hon. Friend the Member for Hendon has already set out the position clearly. The existence of pleural plaques shows exposure to asbestos, but, as I think is acknowledged widely, it does not mean that anyone who has pleural plaques will inevitably get, or is likely to get, mesothelioma. There is no causal link in that way, but it does indicate exposure to asbestos, and for that reason it is completely understandable that people who have pleural plaques will begin to worry, often very intensely—to the extent that, as my hon. Friend has said, it becomes very disruptive of their lives. To that extent, pleural plaques fall into the category of illness, so it is understandable that the existence of pleural plaques should often cause intense and disruptive worry about the possibility of getting mesothelioma.

In passing, I point out that I agree with my hon. Friend about the distinction that we in this House, as well as the courts, have drawn in the past between mental and physical incapacity. I have already made it clear regarding another Bill—I will not dwell on this, Mr. Deputy Speaker—that in relation to representation in this House, we should not draw any distinction between mental and physical incapacity. It is not tenable, and I am optimistic that this House will make progress on that area. The point that my hon. Friend raised about that distinction was very well made.

The Bill also contains provisions on limitation and retrospectivity to enable claims to be brought in cases that were stayed pending the House of Lords decision on pleural plaques, and in those which have not been concluded subsequently. Again, my hon. Friend spoke about that. The issue of pleural plaques, not because of causality but because of the linkage with the dread disease mesothelioma, has excited considerable interest and attention in this House, the other place and outside. I therefore hope that it will help if I explain the current position before turning to my hon. Friend's Bill in detail.

As hon. Members know, the Government carried out a consultation exercise on the question of whether pleural plaques should be made compensatable under the civil law. The consultation paper proposed action to improve understanding of pleural plaques, to try to deal with the intense mental anguish that can often be caused, and to make sure that people understand that if they are diagnosed with pleural plaques, it does not inevitably mean they will develop mesothelioma. In the consultation paper, we proposed action to improve understanding in this way, and to provide support and reassurance to those diagnosed with pleural plaques to help allay their concerns. This is an important step forward, and it shows the Government's recognition of the importance of this issue. It is also a tribute to the work of my hon. Friend.

The consultation paper also considered the issues arising in relation to changing the law of negligence, and invited views on whether this would or would not be appropriate.

Clearly those issues stretch far wider than this issue, important though it is. The law of negligence permeates almost every area of public life in one way or another, so it is important that the consequences of any change we might make on this particular issue are thought

through and discussed as fully as possible. That was a subject addressed by the consultation paper, which also sought views on the merits of offering no-fault financial support to people diagnosed with pleural plaques, and on two possible ways of doing that.

Although the consultation paper was an important step forward, I do understand all the concerns expressed by hon. Members about the time it has taken to reach conclusions in the light of the consultation. As I have said, where we have felt that we could act speedily to resolve the situation, we have done so. We have done so specifically in respect of the legal situation that developed in 2006 in relation to mesothelioma.

The House of Lords decision has raised extremely complex and difficult issues, which, inevitably, have required very careful consideration within government and more widely. It has also been very important to look beyond the issue of pleural plaques to consider how people who have been exposed to asbestos—irrespective of whether or not they have developed pleural plaques or mesothelioma—can be supported much more widely. I am sure the House will understand that anyone who knows they have been exposed to asbestos will worry, so we must consider what we can do to support them. We have made it clear throughout that in our view it is important to ensure that any decisions are reached on the basis of the best available medical and other professional evidence on the nature of pleural plaques. For that reason, we have commissioned and published reviews of the medical evidence carried out on behalf of the chief medical officer and by the Industrial Injuries Advisory Council to help to inform consideration of the issue. Very helpful further discussions have also taken place with key medical experts on the medical evidence.

As I have said, it has been important to explore how we can support everybody who has been exposed to asbestos. I hope that the House will agree that the Government have been consistent in their commitment to give people suffering from mesothelioma and other serious asbestos-related diseases the help and support that they deserve, and we want to build on the positive steps that we have taken.

With that in mind, my right hon. Friend the Justice Secretary has confirmed that the Government are actively considering measures to make the UK a global leader in research for the alleviation, prevention and cure of asbestos-related diseases, and to help to speed up compensation claims for those who develop serious asbestos-related diseases such as mesothelioma. That is a huge undertaking and the Government are making a serious commitment. The work will include examining the process for tracking and tracing employment and insurance records—the House will understand how important that is in this context—as well as looking into the psychological and other support given to individuals who are unable to trace such records. The Government will shortly be announcing further details of our plans on these extremely important issues. I hope that the House will recognise—I think it will—just how important this is in taking this debate forward.

It might help if I were to tell the House a little about the consultation and the responses to it. We will be publishing this shortly, but I know that my hon. Friend the Member for Hendon will want to know what has happened as a result of the consultation. Some 224 responses were received, of which 163 expressed the view that pleural plaques should be compensatable in some form. Slightly more than two thirds of those who responded directly to the question regarding overturning the House of Lords decision supported changing the law. Views were equally divided on whether the proposal to increase awareness of the nature of pleural plaques would be helpful. I must say that there was only limited support for a no-fault scheme and a number of those who did express support for such a scheme made it clear that it was very much a second preference for them if the Government decided that they would not overturn the House of Lords decision.

Michael Fabricant (Lichfield) (Con): I have been listening with great interest to the Minister and the hon. Member for Hendon (Mr. Dismore). Have any of the responses that have been made to the Minister come from medical sources? Can he confirm—this is my main point—that the cause of pleural plaques is always exposure to asbestos or can there, in some cases, be other causes?

Mr. Wills: I am grateful to the hon. Gentleman for that question and for the interest he is taking in this case. I cannot give him an exact breakdown of those responding, but we will be publishing the results. On the origins of pleural plaques, I am afraid that I cannot give him a definitive medical answer. I am very happy to write to him on that point. I hope he will correct me if I am wrong, but I think he is driving at the question of responsibility, liability and causality. I am happy to give way to him so that he can make that clear.

Michael Fabricant: I am grateful to the Minister for giving way a second time. I have no doubt that there is a strong argument for compensation per se for pleural plaques. He has already pointed out, quite rightly, that the source of the exposure to the asbestos has to be identified. I wanted to have it explained to the House that there can also be no doubt that the symptoms and the existence of pleural plaques would always be owing to exposure to asbestos and not to some other toxic substance.

Mr. Wills: I am grateful to the hon. Gentleman for clarifying that point.

Mr. Dismore: Will my hon. Friend give way?

Mr. Wills: I am happy to be helped out by my hon. Friend.

Mr. Dismore: I want to make two points. First, the Bill makes it clear that the only pleural plaques that would be compensatable under it would be those that are asbestos-related. Secondly, I am not aware of any other source of potential pleural plaques but, come what may, it is still for the claimant to prove that their pleural plaques are asbestos-related.

Mr. Wills: I am grateful to my hon. Friend. I was going to go on to make exactly that point, but I am very grateful to him for clarifying it.

The hon. Member for Lichfield (Michael Fabricant) made a very specific point. I do not want to mislead the House. I am not aware of any other possible source of pleural plaques other than exposure to asbestos, but I

[Mr. Wills]

would not like to give the hon. Gentleman a definitive opinion. As he will know, medical opinion on these matters varies. Some doctors can always be found to take a contrary view. I would not like to mislead him by giving him a definitive answer, and all I can tell him at the moment is that I am not aware of other causes and, in any event, as my hon. Friend the Member for Hendon has pointed out, that has no bearing on this Bill.

Before I conclude, I want to make a point about another complexity of this issue that we have to deal with in making progress. The House will be aware that claims management companies have been involved in this field. This is a particularly difficult issue. As 99 per cent. of pleural plaques are asymptomatic, there has been quite a vigorous campaign by claims management companies and some solicitors to try to persuade people who might have been exposed to asbestos to undertake scans. This has given rise to considerable disquiet.

I know that concerns have been expressed about the possible exploitation of vulnerable people. People have asked whether claims management companies can be prevented from acting in this area. Suggestions have been made that only those who were diagnosed by a registered doctor should be able to bring claims. This is a difficult and complex point and it was not directly raised by my hon. Friend the Member for Hendon, but I want to address it because I know that it comes up a lot and that people can get very angry about the exploitation of vulnerable people.

Claims management companies are already regulated under the Compensation Act 2006: regulations control any business offering claims management services and should prevent any malpractice from developing. The introduction of an absolute bar on claims management companies providing services related to pleural plaques would require primary legislation. If we tried to prohibit claims being made when they were the result of a commercial CT scan or when medical evidence did not originate from a registered medical source, that would cause significant concern about compatibility with article 6 of the European convention on human rights, as it would bar access to a court for a claimant who may, in the end, have a genuine cause for action.

Mr. Dismore: My right hon. Friend can square the circle in a relatively straightforward way. He does not have to use primary legislation. This is a question of what evidence is sufficient to satisfy the court, rather than one of debarring anyone from bringing their claim to court. The court may not be satisfied if the evidence is not strong enough—a matter that can be dealt with through the rules of court.

Mr. Wills: I understand my hon. Friend's point, but it does not address the issue of vulnerable people being exploited for commercial gain. However, those considerable problems should not stand in the way of our trying to make progress on the substantive issue that he has raised.

I want to put it on the record again that the Government are firmly opposed to the use of scan vans, as they are called. The provision of X-rays and CT scans is governed by two sets of regulations, which make it clear that initiating an X-ray or a CT scan purely for the purpose of obtaining compensation is not justified, and in those circumstances the Healthcare Commission could be asked to investigate. We would try to deal with the problem on that basis.

I want to say a little about the views that medical experts have expressed about the anxiety that people experience when they are diagnosed with pleural plaques. There is, it is fair to say, general agreement that a diagnosis of pleural plaques is likely to cause anxiety. That is a common-sense view. However, there are different views—as is inevitable, as I said, where professional opinion is involved—about how that should be addressed clinically and how far the level of anxiety can be controlled. One perspective was that a rational, honest explanation of the risks from exposure to asbestos could help patients, but that it would be impossible to alleviate the anxiety, that concerns were understandable and that those involved should be compensated.

The other perspective was that if the condition and the risks were properly and clearly explained, most people would be reassured, and offering compensation would send a mixed message to patients and could increase anxiety. In addition, because there is no direct link between the existence of pleural plaques and the development of mesothelioma, sending people to have scans might be a riskier process for many because it would lead to them being exposed to radiation, which holds some risk, albeit not a huge one. However, given that many people with pleural plaques never develop mesothelioma, it would be an unnecessary risk.

Mrs. Laing: The Minister may in his last few remarks have answered my question. Does he agree that where those scans are not necessary, it is vital that they do not take place? He and the hon. Member for Hendon have both argued very strongly—I do not disagree—that it is the psychological effect of knowing that one has pleural plaques that causes the injury, rather than the pleural plaques themselves, in cases where they do not develop into a more serious disease. Therefore, not knowing that one has pleural plaques is a better position to be in than knowing that one has them.

Mr. Wills: The hon. Lady puts the point pretty well, and she raises an important psychological, and, indeed, philosophical, question. I think that the whole House deplores the use of scan vans. We are talking about people who seek to exploit the potentially highly vulnerable, and who prey on their anxiety and worry for commercial gain. That is not acceptable and we deplore the practice. I have outlined some of the measures available to prevent it, and I hope that our message is going out loud and clear.

I want to talk briefly about some of the new evidence that may be coming forward from the United States and France, and about the meeting of medical experts to which I referred earlier. At that meeting, a UK case study was discussed and it was suggested that, in that individual case, pain could have been associated with pleural plaques rubbing against a person's ribcage. If that were to be the case, it would change the nature of the issue. However, the experts noted that no direct causative link to the plaques had been established. In any event, it is already accepted that pleural plaques can involve symptoms in a small minority of cases. Recent French research focused on the relationship between

cumulative exposure to asbestos and the development of pleural plaques, rather than the medical nature of the plaques themselves.

The Bill has to be considered in the context of all those developments. It represents one possible approach to the issue of pleural plaques. I have set out some of the other dimensions of the issue on which the Government want to make progress, but there are a number of other approaches, and there are wider issues surrounding asbestos-related diseases. We want to ensure that all of them are considered fully and that the best response is identified, and we are doing that as quickly as we can. As we are still assessing what the Government response should be on pleural plaques and the wider issues affecting those suffering from asbestos-related diseases, it is not possible today to give a firm indication of what the Government's ultimate position on the Bill will be. However, on that basis I can confirm that I am content for the Bill to proceed today.

2.17 pm

Mr. Dismore: With the leave of the House, Mr. Deputy Speaker. I am grateful for comments from Members from across the House. We have aired the issue yet again; I have lost count of the number of times that we have debated pleural plaques in the House. I am not sure that I have added greatly to the knowledge of the House or the general public, but we emphasised some of the arguments, and I hope that the House will give the Bill a fair wind.

Question put and agreed to.

Bill accordingly read a Second time.

Ordered, That the Bill be committed to a Committee of the whole House.

Committee this day.

Mr. Deputy Speaker (Sir Michael Lord): Occupants of the Chair have deprecated proceeding at once from Second Reading into Committee without notice, since it makes it difficult for Members to table amendments.

Damages (Asbestos-Related Conditions) (No. 2) Bill

Considered in Committee.

[Sir Michael Lord *in the Chair*]

Clauses 1 to 5 ordered to stand part of the Bill.

The Deputy Speaker resumed the Chair.

Bill reported, without amendment.

Third Reading

2.20 pm

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the Bill be now read the Third time.

We have had a full debate. I do not think there is anything more to say, so I hope the House will now give the Bill a Third Reading.

2.20 pm

The Minister of State, Ministry of Justice (Mr. Michael Wills): I shall not detain the House long, but I want to say a few words about the Government's position. I hope that my hon. Friend the Member for Hendon (Mr. Dismore) is pleased that we have made so much progress on the Bill—I know that he has been here before. The Government want to resolve the issue, and again I pay tribute to him, to my hon. Friends the Members for Blaydon (Mr. Anderson), for Jarrow (Mr. Hepburn) and for Barnsley, West and Penistone (Mr. Clapham) who are not here today, and to all the hon. Members who participated in the debate today and who have made representations to the Government over the past few months.

As we have heard, the issue is extremely important for many, many of our constituents, affecting every aspect of their lives. Because of that, there should be no doubt about the Government's determination to resolve the issue. The fact that we have not yet been able to do so is not an indication of any lack of will on our part. There has been huge activity. Many Members of the House will be aware how much work has been continuing on the part of officials throughout Whitehall to try and resolve the issue once and for all.

It is a feature of our system of government that from time to time the courts produce judgments that throw public policy into disarray, and the Government then have to react. We must react in a way that is sustainable and which sends the courts a clear framework and a clear message about the will of the House. We have to make sure that we have covered every dimension. I hope I have shown today just how complex this area is.

My hon. Friend the Member for Hendon has performed an invaluable public service, for which all my constituents will be extremely grateful to him. In saying that, I am sure I speak for most Members of the House. However, he is dealing with only one aspect. It is important that we try to achieve a comprehensive solution, and I think we are not far off that. Today has been another step forward. It is not the final resolution, but we are not far off that stage. It will almost certainly not be me who stands at the Dispatch Box to announce further progress, but I am sure that before too long, a Minister—

Mr. John Randall (Uxbridge) (Con): I am disturbed to hear the Minister say that that will not be him. Can he explain why?

Mr. Wills: I hope I can take that as a compliment from the hon. Gentleman. It will not be me because, in practical terms, the matter does not fall to my ministerial responsibility. I was pleased to be able to be present today because, as I explained to the House earlier, I have a distinct constituency interest in the matter, which has been of great concern to me as the Member of Parliament for North Swindon, but normally another Minister would be at the Dispatch Box. The hon. Gentleman should read nothing untoward into that, other than an allocation of responsibilities within the Ministry of Justice. As I said, I was pleased to be here today for a debate on a matter of intense importance to my constituents in Swindon.

I hope my hon. Friend will feel that I have been positive and constructive in my comments in moving the Bill forward. At some point in the near future a Minister—it may be me, but probably not—will stand at the Dispatch Box with an indication of how we intend to resolve the issue.

Matthew Taylor (Truro and St. Austell) (LD): That is a huge concern, so I hope that the Minister will provide a time scale, because it has taken a great deal of time to resolve the issue. He may not make the announcement, but I hope that it will be made soon.

Mr. Wills: I am grateful to the hon. Gentleman, who was perhaps being tactful. The hon. Member for Uxbridge (Mr. Randall) may have been trying to tease from me the date of the general election, because as the House will know, I am not standing for re-election. He may have been trying delicately to discern whether the announcement would take place before the general election, and the hon. Member for Truro and St. Austell (Matthew Taylor) may have been after the same thing. I certainly hope that it takes place while I am still a Member, so that I can report to my constituents in North Swindon that this Government have taken decisive action on pleural plaques, just as we have done on that dread disease of mesothelioma, which has caused such anguish for so many people.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Employers' Liability Insurance Bureau Bill

Second Reading

2.26 pm

Mr. Andrew Dismore (Hendon) (Lab): I beg to move, That the Bill be now read a Second time.

This Bill relates to another aspect of an issue that we just explored. I took some comfort from what the Justice Minister, my right hon. Friend the Member for North Swindon (Mr. Wills) said in response to the previous debate, because legislation is starting to go in the same direction as the Government. The Bill is about resolving a real problem that arises particularly but not exclusively in asbestos cases.

Since 1969, employers have been compulsorily required to take out insurance against injury and disease for their employees—the Employers' Liability (Compulsory Insurance) Act 1969. I have not checked but I vaguely recall from my days in practice that that legislation began as a private Member's Bill, too. One problem is that a small number of employers, despite that legal requirement, do not take out insurance. A bigger problem is when employers have insurance, go out of business and, decades later, an employee finds that they have contracted an industrial disease, such as mesothelioma, and needs to claim compensation. The real problem is trying to track back to find out who the employer was and, more importantly, who the employer's insurers were at the time. That is a difficult, time-consuming and, ultimately in many cases, fruitless task. My Bill tries to provide an answer: an insurer of last resort.

If people are injured in a road accident involving a hit-and-run or uninsured driver, the insurer of last resort is the Motor Insurers' Bureau. It has been around since the 1940s and was introduced when the then Government said to the motor insurance industry, "Unless you get your house in order and produce your own insurer of last resort arrangements, we will legislate to do so." It is now a requirement under European Union law to introduce a system to compensate victims of uninsured motorists. However, there is no similar provision for victims of uninsured employers or employers whose insurance company has disappeared, if it ever existed in the first place. My Bill therefore tries to plug that gap.

I proposed the Bill last year in exactly the same terms; I am a persistent chap, as everybody knows. It took eight attempts to get the Crown Employment (Nationality) Bill through, and now it is part of the Constitutional Reform and Governance Bill. We have just seen a second attempt at the pleural plaques Bill, and this is my second attempt with this Bill, although I do not suspect that we will get very far with it today.

Last year the Government indicated that they were not sympathetic to the Bill, but I understand from my right hon. Friend's earlier comments in response to the pleural plaques debate that they now look more sympathetically on the issue. Indeed, I have discussed it with my noble Friend Lord McKenzie, a Minister in the Department for Work and Pensions, who suggested that the Government were now looking more favourably at it; and I hope that before long we will see Government consultation on how such a scheme might be established.

The proposal is relatively straightforward; it is based on the Motor Insurers' Bureau arrangement; and it will

provide a compensation regime when an employer has become insolvent and has no employers' liability insurance, when the insurer cannot be traced, or for any employer—

2.30 pm

The Deputy Speaker interrupted the business (Standing Order No. 11(2)).

Bill to be read a Second time on Friday 26 February.

Business without Debate

CONTAMINATED BLOOD (SUPPORT FOR INFECTED AND BEREAVED PERSONS) BILL [*LORDS*]

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 26 February.

MARRIAGE (WALES) BILL [*LORDS*]

Bill read a Second time; to stand committed to a Public Bill Committee (Standing Order No. 63).

BUSINESS OF THE HOUSE

Ordered,

That, in respect of the Terrorist Asset-Freezing (Temporary Provisions) Bill, notices of Amendments, new Clauses and new Schedules to be moved in Committee may be accepted by the Clerks at the Table before the Bill has been read a second time.—*(Kerry McCarthy.)*

Rail Services (Sydenham Corridor)

Motion made, and Question proposed, That this House do now adjourn.—*(Kerry McCarthy.)*

2.31 pm

Jim Dowd (Lewisham, West) (Lab): I am most grateful to Mr. Speaker for allowing me this opportunity to raise an issue that is of considerable concern to my constituents in the Forest Hill-Sydenham area. I have raised the matter on two other occasions during the 18 years in which I have been a Member. This is the third time, although the specific issue is not the same. The Table Office has rules about putting down questions; it says that they can be refused if they are part of a campaign. I would not like to think that anybody believed that I did not have a campaign on behalf of my constituents and their rail transport requirements in our corner of south-east London.

No London borough has as high a proportion of its residents working outside it as Lewisham does. Transport links of all kinds—not just rail, but bus; we do not have an underground service yet, although we will in a few short months—are crucial to the social and economic well-being of the area. They have a double benefit: they make the place easier for people to live in and travel to work from, and they attract people into the area for work, social and recreational purposes.

In recent years, there have been many improvements in services, not only in my constituency but in Lewisham more broadly. Perhaps the most notable was the docklands light railway extension to Lewisham via Greenwich, from the rather obscure terminus of Mudchute gardens on the Isle of Dogs. That has undoubtedly improved connections to Lewisham. Furthermore, bus services have been considerably improved since the advent of Transport for London and the directly elected Mayor of London.

More recently, Eurostar services have been transferred from Waterloo to St. Pancras International. That has released further slots on the surrounding railway infrastructure, which has allowed more services—not into my constituency, but into nearby stations such as Penge West and Sydenham Hill, which are used by many people from my constituency. Great improvements have been made in the recent past. Without doubt, however, the greatest improvement will come with the advent of the East London line, which is due to commence services in May, just a few months' time.

I speak with feeling about the extension of the East London line because I have been campaigning for it since I was first elected to Lewisham council in 1974. That is some 36 years. There is a Chinese proverb—an old Chinese proverb, as they say, but when was the last time we heard of a new one?—that states that success has a thousand parents but failure is an orphan. I claim to be one of the 1,000 parents who are the progenitors of the East London line extension through my constituency into Crystal Palace and on to West Croydon. It forms just part of the London Overground project, which will go north of the river, utilising the current East London line, to Dalston and then eventually on to various other points on the northern part of the London Overground system, to provide real alternatives to people in my constituency and surrounding areas as regards their transport options.

Mr. Andrew Pelling (Croydon, Central) (Ind): I congratulate the hon. Gentleman on securing the debate. I would claim to be one of the other parents, and we are all very pleased about the regenerative effect that public transport investment has. The Government have done very well in their investment in London's transport, which was particularly good under the previous Mayor. Is it not the case that given the Government's strong emphasis on investing in east-west routes, as Members representing constituencies with strong north-south trends we must remember the importance of continued investment in those routes, such as Thameslink?

Jim Dowd: Yes, I accept the hon. Gentleman's point. If he is claiming partial parentage of the East London line extension, I have to say that our relationship was very distant, if not non-existent, but in our part of south London we are all delighted to see it come to pass. The tendency that he mentions has traditionally been a problem for large parts of the capital that are not served by the underground system. Radial transport links are very strong, but lateral ones have not been, and the impetus of recent years has been to address that issue. Rather than ship everybody into the centre of town and then out again for work, social or recreational purposes, it is better to have lateral links. That is a great advantage to us, as he appreciates, because there will be an opportunity for us to travel to large parts of the capital without the need to go through London Bridge or to Cannon Street or Charing Cross.

I shall make some comments about Thameslink in a moment. The Thameslink programme will cause a lot of disruption and inconvenience in the short term, particularly to those of us closer to the centre of London, but over time it will prove to be a worthwhile investment and a considerable benefit to south London and London more broadly. As a key international centre and our national capital, London relies on its transport links more than anything. It needs to sustain the ability to move people around in large numbers very rapidly, and we can all recognise that without that, it would not be the centre that it is.

The hon. Gentleman encroached upon the next part of my comments.

Mr. Pelling: I apologise.

Jim Dowd: Not at all, I accept the inevitability of these things on occasion. Over the years there has been support for the plan for the East London line extension, particularly from the former Mayor and the Greater London authority. I thank them, as I have before in the Chamber, for their determination to turn the current East London line, which is little more than a cross-river shuttle to the east of Tower bridge, into a genuinely beneficial, sustainable and crucial link in London's transport network by increasing services from Croydon and Crystal Palace right through to Dalston, and beyond that to Highbury and Islington and elsewhere. The next stage, which will not run through my constituency, is the continuation of the service through Peckham and on to Clapham Junction, which will be a major adjunct to the services in that part of the world.

Let me make it as clear as I can to my hon. Friend the Minister that my constituents welcome unreservedly the extension of the East London line into our part of the world, and our appearance on the London tube map, particularly as we have some of the most congested commuter lines in the whole country. However, various aspects of that introduction might not be as beneficial to my constituents as they might otherwise appear. Transport for London has taken over the running of all the stations between East Croydon and London Bridge, including Crystal Palace, which means that all local stations are now staffed throughout the day, from the first train to the last, meaning a far safer and more secure environment for passengers. TfL plans a complete refurbishment of those stations over time, which will include new indicator boards, increased CCTV and new public address systems. My experience in recent years is that railway public address systems are far more comprehensible than they were in my youth. That is to everybody's benefit, but it also increases the security that people feel when using public transport systems, and therefore increases the likelihood that they will use them. That is to be welcomed unconditionally.

On 2 January—this was slightly delayed, because of decisions by the Mayor, but it was none the less welcome—the Oyster card system and pay-as-you-go were introduced on all suburban services right across the capital. That is a huge advance. One needs to use an Oyster card only once to realise the benefits of the system, and that is without mentioning its interoperability between different modes of transport. Before the end of this year, all platforms on the line will be lengthened to accommodate 10-carriage trains to and from London Bridge, rather than the current eight-carriage trains. The East London line will start in May, giving us eight trains an hour in each direction between Dalston in the north, and West Croydon and Crystal Palace in the south. Finally, a few years on, in 2015, the line will become part of the Thameslink network, so that the four trains an hour that currently terminate at London Bridge will instead continue north, thus allowing direct services to Blackfriars, Farringdon and, in particular, St. Pancras International for the Eurostar.

I am also delighted to see the reappearance of something that I believed to be little more than a pipedream when I was growing up in my constituency in south-east London, namely the extension of the Bakerloo line. In those days it was just a piece of imagineering, as they call it these days: someone drew a line on a map and said, "Wouldn't it be a good idea if, instead of terminating at the Elephant and Castle, the Bakerloo line went on, down through south-east London to Bromley and places south?" There was never any real backing for such a project, but now it is back on the agenda. However, I suspect that its prospects might be somewhat less encouraging under the current Mayor than they would have been under his predecessor or, let us hope, they will be under a successor with a more enlightened attitude towards public transport.

The Southern services into London Bridge are the mainstay of the commuter services from my constituency. It is the threat to those services posed by the introduction of the East London line that I wish to draw to the House's attention today. On all surveys, the route to and from London Bridge will still be the principal route used by more than 70 per cent. of my constituents. They have just lost the Charing Cross service, even though it was only an off-peak service, because during the development of the Southeastern timetable, which started on 13 December, it was identified that in order to make the incorporation of the high-speed service to and from Kent workable, significant limitations would need to be imposed on the through-London Bridge pathways for

other operators. The long and short of that was that Southern lost its pathways into Charing Cross and now terminates all services at London Bridge.

Some would say, "Well, how much more difficult is it to get a train from Charing Cross and change at London Bridge? Those services still exist." That is true, but for my constituencies attending social, entertainment and recreational events in the west end in the evening—those going to the theatre, to the cinema, to restaurants, and so on—the direct service from Charing Cross to Honor Oak Park, Forest Hill and Sydenham was immensely important. That service has now been lost and, sadly, there is little or no hope for its reintroduction, because those pathways have gone. Some of my more suspicious constituents—it may come as a shock that, along with most other Members of Parliament, I have such constituents—think that, because Southeastern and Southern are owned by the same holding company, Govia, this was just a carve-up of the services between the two companies. I do not believe that to be the case. I think that genuine consideration for improving the service across the south-east as a whole was at the heart of this decision. As in most equations, however, some win and some lose.

The crux of the problem involves the off-peak services. During the route utilisation strategy investigation, fears were expressed that morning and evening services into London Bridge would be cut from their present level by at least two trains an hour. Fortunately, the morning peak service has now been secured. That is probably the most crucial element of the transport patterns in my area. However, the off-peak and evening service has now been cut by two trains an hour. My constituents—particularly the members of the Sydenham Society and the Forest Hill Society who have done a lot of campaigning on these issues—would like to know why the East London line should not suffer a reduction, instead of cutting the service on the London Bridge line by two trains an hour. If it proves more beneficial over time for the East London line to provide extra services, the number of trains could be increased, but why should my constituents have to suffer the possible inconvenience of having an established and well-used service reduced?

I understand that complicated calculations have had to be made in relation to the introduction of what is undeniably the great advantage of extending the East London line, but why should the existing services be put at risk when introducing the new ones? And, if those calculations prove inaccurate or non-viable in the longer term, what is the earliest opportunity at which such a shortfall could be redressed?

We do not for a moment dispute the benefit of the extended East London line. If it is introduced and incorporated properly, it will provide considerable benefit to people across south London and more broadly. However, the need to ensure that the present services are sustained until it has been demonstrated that they are no longer necessary is a higher priority.

2.48 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I congratulate my hon. Friend the Member for Lewisham, West (Jim Dowd) on securing the debate and providing the House with this opportunity to discuss rail services in his area of south London. At the risk of making him feel a little old, may I tell him that, when he started campaigning as a Lewisham councillor in 1974, I was a schoolboy using Sydenham Hill station on a daily basis? I know that that station is not on the route that we are discussing, but he did mention it earlier. I am aware that this issue is of interest to a number of other hon. Members, given the correspondence that I have received from him and other Members in recent months, and also to other stakeholders and to the public.

I am also aware that any timetable change, however small, is likely to inconvenience some people and will therefore often be unpopular. In the case of train services on the Sydenham corridor, two sets of changes occurring at the same time are altering the nature of services on the route. I believe that, when these changes are looked at together—and once demand patterns have settled, later this year—the overall accessibility and attractiveness of train services in that area of south London will be vastly improved. However, I sympathise with users of the route if they are unhappy with the planned changes at this time.

I am conscious that, while many people are aware of those services that have been or will be changed or diverted as a result of the new timetable, little has been said about the additional services and journey opportunities that will emerge this spring. Transport for London will soon be starting a publicity campaign with regard to the East London line services and, as trial services begin to operate, I expect the benefits of those services to become more obvious to passengers. I have already asked officials to ensure that TfL is issuing appropriate publicity about the changes.

Mr. Pelling: It hardly behoves us to criticise investment in public transport, which is most welcome and quite transformative—in my constituency, the tram transformed the place in respect of employment prospects—but if a new service is being launched, there is a great danger of inflicting reputational damage if other services are being reduced. Are the Government sensitive to that concern, as it would be such a shame if such an excellent investment were compromised?

Chris Mole: The hon. Gentleman raises a legitimate question; there is a balance to be drawn as providing information too soon risks people having to ask where the new services are. I hope to address the issues further as I progress.

Mr. Pelling: I can never make myself clear from the back of the Chamber. The concern is that people might speak adversely about the new services if they are compromising other fast routes. I represent constituents who use Norwood Junction, which is just down the line from Sydenham, and they have already expressed their concerns to me in e-mails.

Chris Mole: If the hon. Gentleman will allow me to make a little progress, I might be able to answer him more fully. As I have said, I have already asked officials to carry out appropriate publicity for the changes. Given the concerns expressed, it would probably be best to deal with each of those changes in turn. I shall start by providing some background to them.

The Sydenham corridor is currently served by Southern Trains, but from May, East London line services operated

[Chris Mole]

by London Overground will be extended to operate on the route alongside Southern services. London Overground's core service will operate four trains an hour between Crystal Palace and Dalston and West Croydon and Dalston. A separate service will operate from New Cross to Dalston. This compares with the former East London line, which operated only between New Cross Gate and Shoreditch. It is expected that eight of these trains will be extended to Highbury and Islington from 2011, once a new line is constructed at Dalston to connect the East London line with the North London line.

Further extensions to Clapham Junction are planned for 2012, which will mean that the route from Sydenham to New Cross Gate, which I know will be a prime concern to my hon. Friend, will see eight East London line trains an hour, plus Southern services. These East London line services will be operated by new class 378 trains in four-car formation similar to the new trains introduced on the North London line.

Importantly, the extended East London line will provide valuable interchanges with the rest of London's transport network. The interchange with the Jubilee line at Canada Water will be especially valuable, given the links from there to Canary Wharf and the west end, but the interchange with the Hammersmith and City and District lines at Whitechapel will also be important, while we must also not forget the link with the docklands light railway at Shadwell. The later link to Highbury and Islington will provide a further direct interchange with the Victoria line.

We expect a considerable number of people to alter their journey patterns to interchange at Canada Water rather than at London Bridge. As my hon. Friend will be aware, the interchange from national rail to London underground at London Bridge is rather tortuous and probably takes a minimum of five minutes when measured platform to platform. Canada Water will compare favourably in that the interchange is a simple escalator journey to the underground. The latest information that I have from TfL is that the main works are complete and that non-passenger trial operations on the core route are about to commence. If these trial operations and associated staff training are successful, TfL hopes to commence a service on the core route north of New Cross Gate later this spring. We are as confident as we can be that the route will open on time later this spring. That is my answer to the question about when we should press on with the publicity.

My hon. Friend mentioned that 10 stations between New Cross Gate and West Croydon have already transferred to London Overground in readiness for the extension—additional investment has already commenced. He also mentioned that London Overground is going to upgrade many of those stations. He referred specifically to CCTV and public address, but there will also be a deep clean of the stations, along with new floors and platform surfaces, new entrance canopies, new signage, information systems and lighting improvements. It is also worth noting that "Access for All" works, funded by my Department, are already well advanced at Forest Hill station. I should add that the £900 million extension of the East London line has been made possible only by the considerable increase in grant given to Transport for London over recent years.

I am sure that my hon. Friend is supportive of all those investments in train services in his constituency. I firmly believe that these changes, along with other improvements, such as extension of Oyster pay-as-you-go, will transform the attractiveness of this area of south London—to reduce crowding, to support regeneration activities and to improve the overall service offered to the public.

However, the new services cannot be introduced without some changes to existing services and service patterns. Apart from some minor track works at South Croydon and Crystal Palace there is no building of new lines south of New Cross Gate, which means that the extended East London line timetable needs to mesh with Southern services. The issue is not as simple as might be imagined, especially given the complications of the crowded network in and about London Bridge and the interactions with other parts of the rail network including Southeastern services, Southern services to London Victoria, First Capital Connect services north and south of London, and the additional East London line services.

Mr. Pelling: Does this not underline the need for further investment at the Windmill Bridge junction north of East Croydon station? It is great to get the service going, but not enough money was provided for the East London line. If capacity is not increased, there will unfortunately be some passenger resistance.

Chris Mole: I assure the hon. Gentleman that, along with Network Rail, we are examining capacity issues throughout the United Kingdom network, because we consider those issues to be a priority.

I shall try to explain the background to each of the main changes, but I suggest that Members consider those changes as a whole and compare the final overall service from May this year with the service provided previously. As my hon. Friend has pointed out, since last December, later evening Southern services from the Sydenham corridor, amounting to a total of nine trains, have not progressed through London Bridge to Charing Cross. All services will now end at London Bridge, as they do throughout the rest of the day.

The reason for the change is that as part of its new timetable Southeastern—which, of course, has seen the introduction of high-speed services from Kent, and about 5 per cent. more capacity on metro services in Greater London—is stopping more trains at London Bridge during the off-peak period and in the evenings, and has also improved frequencies on the Bexleyheath corridor. Because of the provision of the additional trains, no spare capacity exists to allow Southern services to operate into Charing Cross. Southeastern and Southern have worked hard to identify a solution to the problem that would allow those trains to be accommodated through London Bridge. It has been unable to find a timetable solution, but it remains an aspiration of Southern to operate services through to Charing Cross. The Government have said that if in future Southern and Southeastern can find a way to extend services, which we agree is desirable, we will not stand in the way of the operators. I have asked officials to ensure that that option continues to be considered.

A number of timetable changes are planned for May 2010 on the commencement of the extended East London line. My hon. Friend has raised with me the apparent

misalignment between opening dates for the East London line and changes to Southern services, and I understand that the Sydenham Society has raised the issue with him. I should make it clear that the new Southern timetable is planned to commence on Sunday 23 May, the day on which TfL plans to start operations south of New Cross Gate. There is thus no misalignment; TfL may be being a little cautious in its public statements.

As part of the new timetable, stations on the route will see a significant increase in the service provided overall. During the peak period, there will be six trains an hour from stations such as Sydenham to London Bridge, and a further eight trains an hour to the East London line. Sydenham currently has seven trains to London Bridge between 8 am and 9 am. In future, it will have a total of 14 trains to London, which will double the service and increase capacity by around 45 per cent.

I realise that it could be argued that Sydenham is seeing a reduction of one London Bridge train during the peak period, but given the parallel increase in services to the East London line, the overall benefits are large. In the off-peak period the service will broadly double from six to 12 trains per hour, which means a train every five minutes. Four of those trains will operate to London Bridge and eight to the East London line. I appreciate that that could be seen as a reduction of two trains an hour to London Bridge, but it has been made necessary by the operation of the East London line trains and the use of "turn back" facilities at West Croydon by East London line services.

I am particularly aware of the significant concern expressed about the evening peak changes on the corridor. Let me explain that in more detail. Southern currently operates six trains in the peak hour from London Bridge via the Sydenham "slow lines", with two of them operating to destinations outside London. Because of the introduction of the East London line services and the congested nature of the infrastructure from London Bridge to New Cross Gate, it has not been possible to timetable the longer-distance services to fit with the regular-interval East London line services. As a result, from May the Dorking and Guildford services will now operate via the fast lines running non-stop between London Bridge and Norwood Junction.

The only way these services could continue to operate on the slow lines via Forest Hill would be by reducing the peak service operated by the East London line. While I recognise that this is of little comfort to my hon. Friend the Member for Lewisham, West, the change will reduce journey times to places such as Norwood Junction, Sutton and Dorking. The remaining London Bridge services will operate a regular-interval service from London Bridge at approximately 14 and 16 minutes apart, and should carry significantly fewer passengers as a result of the diversion of some passengers to destinations further afield. Most passengers to locations such as Sydenham and Forest Hill should need to alter their journey times by only two or three minutes. I will be happy to provide the House with details of the exact timetable, if required.

This change should be placed in the context of the eight East London line trains operating southbound from Canada Water, and, over time, we expect passengers who currently interchange from the Jubilee line at London Bridge to shift to interchange at Canada Water. It should also be remembered that passengers who previously changed on to Southern services at New Cross Gate will now be able to use both Southern and East London line services, further reducing demand pressures on evening peak services south of New Cross Gate. The same number of trains will be operating from London Bridge in peak times as today, and I can thus reassure Members that the changes are not being carried out for financial reasons; they are being introduced purely in order to timetable both Southern and East London line services on the same section of track.

Southern is committed to keep the situation under review after the introduction of the East London line next May.

3.1 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Monday 8 February 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

HOME DEPARTMENT

The Secretary of State was asked—

Advisory Council on the Misuse of Drugs

1. **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): What recent advice he has received from the Advisory Council on the Misuse of Drugs on drugs which cause so-called legal highs. [315829]

7. **Mr. David Jones** (Clwyd, West) (Con): What recent advice he has received from the Advisory Council on the Misuse of Drugs on drugs that induce so-called legal highs. [315835]

The Secretary of State for the Home Department (Alan Johnson): In March last year, my predecessor commissioned the ACMD to provide advice on so-called legal highs or new psychoactive drugs. Following receipt of the council's advice, we have banned a number of substances, including synthetic cannabinoids, such as Spice, benzylpiperazine and gamma-butyrolactone—BZP and GBL respectively. As a priority, I am now expecting advice from the ACMD on the cathinone group of drugs, including mephedrone.

Mr. Goodwill: Does the Home Secretary share my concern that the purveyors of those pernicious preparations can often be one step ahead of the authorities, either by reformulating the molecules slightly or by marketing them as, for example, plant food?

Alan Johnson: I do. That is why it is very important to get a generic classification, so that we can cover whole areas and not allow the manufacturers of those drugs to shift around. We can actually make illegal a whole range and classification of those drugs.

Mr. David Jones: There is growing concern in north Wales over the increasing use of mephedrone, which as the Secretary of State knows is a substance related to ecstasy, and which is readily available on the internet, where it is marketed as plant food. Children as young as 14 years old are reported to be using it. He mentioned that he is expecting a report from the ACMD on the group of substances that includes mephedrone, but can he say when he expects to receive it?

Alan Johnson: Yes, I spoke to Professor Les Iversen, the new chair of the ACMD, last week. This is a priority for the council—an absolute priority. It expects to receive the advice on 22 February. Thereafter, it expects to make a decision in early March. It is a priority and the council is moving as quickly as it can, consistent—this is the point I made earlier—with trying to ensure that it deals not only with mephedrone, but the whole generic group, so we will not be fooled by the manufacturers' shifting around.

Dr. Brian Iddon (Bolton, South-East) (Lab): As we consider substances in the cathinone group of chemicals—that includes khat, by the way, which is used by people from the horn of Africa—is there not a danger that, as we put more and more substances into the ABC classification, we merely displace the problem? There is an endless list of chemicals and natural products that chemists can supply on to the market. Is there not also a danger of displacing illicit drug users to using products in the legal market?

Alan Johnson: I accept that there may be a danger. That is why the ACMD is composed not only of scientists, but of others, including police officers, others from law enforcement agencies and so on. It is very important that I take the council's advice, and its advice will be much wider than just the classification; it will also look at the kind of issues that my hon. Friend raises.

James Brokenshire (Hornchurch) (Con): Professor Les Iversen, the interim chairman of the ACMD is quoted this morning as saying:

"It is a quite scary scenario"

that schoolchildren can buy legal highs such as mephedrone over the internet and take them freely. Professor Iversen wrote to the Home Secretary on 22 December advising that the selling of mephedrone in a form for which it is clearly unintended, as we have heard,

"could have serious public health implications".

What action have the Government taken in response to Professor Iverson's advice?

Alan Johnson: Professor Iversen's advice is in the context of the work of the ACMD. His letter to me on 22 December pointed out that that is why this matter is the council's priority. We will receive its advice and guidance before we take action. That is the correct sequence of events.

Student Visas (Fraud)

2. **David T.C. Davies** (Monmouth) (Con): What steps he is taking to reduce levels of fraud in relation to student visas. [315830]

The Minister for Borders and Immigration (Mr. Phil Woolas): We introduced the points-based system for students in March 2009. We estimate that around 2,000 colleges have ceased offering courses to overseas students as a result. Our review of tier 4 is aimed to close down the consequential attempts to gain entry to the UK for non-student purposes.

David T.C. Davies: Apart from language schools, colleges offering legitimate degree courses and other courses would be expected to have a high proportion of British nationals. The Home Secretary and his Ministers can almost certainly find many dubious, bogus colleges simply by investigating those with a surprisingly high number of foreign national students on their rolls. Why will they not do so?

Mr. Woolas: We have done so, and we continue to do so. As I said, we estimate that around 2,000 colleges have had to withdraw courses for overseas students or close. Previously there was not a sponsored licence system. The great advantage of the points-based system is that we can now hold not just the student to account, but the sponsor too.

Rob Marris (Wolverhampton, South-West) (Lab): My understanding is that across the subcontinent, in places such as Chandigarh, Jalandhar, Nepal and New Delhi, the UK Border Agency has temporarily ceased processing tier 4 student applications because of the huge volume of work. When will reprocessing recommence?

Mr. Woolas: My hon. Friend is right. Precisely because we have the new system, we can monitor where we think there might be abuse. We have had to suspend tier 4 applications in three such posts. We will reopen those posts for applications as soon as possible, and we intend to lay out the findings of the new review as soon as possible.

Chris Grayling (Epsom and Ewell) (Con): Back in November, the Minister said:

"We have clamped down on student visas now and we have a much better system."

What has changed since then?

Mr. Woolas: The hon. Gentleman is quick to criticise the points-based system. It is precisely because we can close down the bogus colleges, by having the sponsored licence system, that people who wish to abuse our hospitality then look for other methods to gain entry into the United Kingdom. He should know that controlling the borders is a constant campaign against those who wish to abuse our system. That is what we are doing, and I would welcome his support in that endeavour.

Chris Grayling: Three months ago the Minister said that

"we have a much better system."

There will obviously be a suspicion that the Government are simply delivering pre-election rhetoric in an area where there are widespread concerns. Let me test the Minister on the substance of the proposals. Yesterday he announced that people on student visas will now be allowed to work only 10 hours a week, not 20. Can he tell the House how many students have been prosecuted for working more than 20 hours a week?

Mr. Woolas: It is clear that the hon. Gentleman drafts his questions based on a press cuttings service. What he described is neither what we said nor what the press reported, but let me assume that it is, just for his benefit. The proposals relating to dependencies and work times are for those at sub-degree level, as has been urged on us by some people. However, I repeat: I would seriously ask him to support the Government in this endeavour, otherwise he will rightly be accused of being more interested in criticising us than in providing an immigration system. We closed down the bogus colleges—around 2,000 of them—but there are attempts by some with bad intentions towards our country to get around that, so we have had to review that again.

Criminal Offences (Repeal)

3. **Norman Baker** (Lewes) (LD): What plans he has to identify criminal offences that might be repealed. [315831]

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): The Government keep all legislation under review.

Norman Baker: I am most grateful for that thorough answer, but may I point out to the Minister that in the 19 criminal justice Acts introduced since 1997, 68 sections and 25 schedules have not yet been fully implemented, and that of the thousands of new criminal offences that have been introduced, many are ludicrous or unnecessary, such as offering for sale a game bird killed on Christmas day? When are the Government going to stop their knee-jerk reaction every time a problem arises—saying that a new law is required—and have a policy of removing unwanted and unnecessary legislation?

Mr. Hanson: I am grateful to the hon. Gentleman for reminding us of the number of criminal justice Acts that this Government have introduced. Perhaps he would include among the pieces of legislation that he would wish us to review the Criminal Justice Act 2003, which allows new evidence for serious crimes, and introduces new sentences for murder, sexual and violent offences, and DNA fingerprints, bringing 37 killers and 90 rapists to justice, or the Anti-social Behaviour Act 2003, which gives the power to close crack houses. The Liberals voted against both Bills at Third Reading. I am sure that the hon. Gentleman would find a way to remove many of those provisions, because ultimately the record shows that the Liberals have been soft on crime.

Mr. Denis MacShane (Rotherham) (Lab): I welcome the fact that in recent years up to 90,000 people have been charged with hate crime—crimes of racism and anti-Semitism, and attacks on gay people—with conviction rates of up to 80 per cent. That is making Britain a more decent and fairer place. I do wish that the Liberal Democrats would stop rubbishing efforts to bring a bit more justice to many areas where we have an unjust society.

Mr. Hanson: Indeed. Every Liberal Democrat Member of the House has lower crime, more police officers and more resources to tackle crime than in 1997. The Bills—now Acts—that we have taken through the House have helped to contribute to that. On balance—on the Criminal Justice Act, on antisocial behaviour and on licensing, and in the Lib Dem freedom Bill—the Lib Dems have voted against all those measures.

Chris Huhne (Eastleigh) (LD): Everybody is in favour of updating and modernising the law, but in answer to our parliamentary questions, we learn that the sheer

number of new offences under this Government since 1997 is now more than 4,200, which is frankly staggering. Up to 2008, we were churning out 27 new offences a month; under this Prime Minister, the figure has now gone up to 33. Many merely replicate perfectly serviceable offences. What proposals is the Minister making to ensure that new offences do not duplicate those that are already on the statute book?

Mr. Hanson: That is part of our overall general review. We want to see the police using effective legislation—for example, DNA recording for recordable offences, allowing the police to detain people who have been arrested for a recordable offence. That happened under legislation that the hon. Gentleman voted against, through which 37 killers and 90 rapists to date have been brought to court and are in prison as a result. That is the sort of legislation I believe in, but it is the sort of legislation that the Liberal Democrats have voted against.

Chris Huhne: The Minister really should not be making partisan points when, frankly, the degree of new legislation is plunging police officers, magistrates and other others who are forced to deal with it into considerable confusion. The Home Secretary and the Minister may know of a useful precedent in another common law country, of Canada, where they have simplified the criminal law with a penal code. Does the Minister agree that that is a useful initiative for us to follow and will he commit the Government to looking at establishing a simple penal code for England and Wales?

Mr. Hanson: The Government's priority is cutting crime and making sure that we have sufficient powers to tackle it. I am sure that there is common consent across the House that legislation for parenting orders, fly-tipping, dispersal orders and closing crack houses are all useful. Again, the hon. Gentleman voted against them.

Ports (Security)

5. **Mr. Stephen Crabb** (Preseli Pembrokeshire) (Con): What recent discussions he has had with the Secretary of State for Transport on security at ports. [315833]

The Secretary of State for the Home Department (Alan Johnson): My noble Friend the Secretary of State for Transport and I speak regularly about security matters involving port security, as well as wider security issues. My officials also work closely with those in the Department for Transport.

Mr. Crabb: Given that the Government have now given the green light for the privatisation of Dover and the other remaining UK trust ports, does the Home Secretary agree that a port like Milford Haven in my constituency, which controls access to 20 per cent. of the UK's gas supplies and a quarter of the UK's remaining oil refineries, is not a suitable candidate for privatisation and that ports that house critical national infrastructure should stay under national control?

Alan Johnson: I feel like signing up to this campaign. Unfortunately, it is not my responsibility, but that of the Secretary of State for Transport.

Keith Vaz (Leicester, East) (Lab): I welcome the steps taken by the Government in respect of body scanners at Manchester and Heathrow airport. Does my right hon. Friend agree that what are necessary now are international standards to deal with international terrorism because although we can do the very best we can in this country—and, indeed, within the EU—if countries outside the EU do not raise their game, this will pose a real problem in dealing with international terrorism?

Alan Johnson: My right hon. Friend is absolutely right. Incidentally, we are introducing scanners at Birmingham airport as well. The issue is an international one. That is why I was pleased at the progress made at Toledo when the EU Interior and Justice Ministers, together with Janet Napolitano, the American Secretary of State for Homeland Security, agreed on a way forward not just in relation to what we do extra-EU, but intra-EU as well. Issues such as providing information on passenger records must be as important for travellers within the EU as for those travelling outside it. That, together with measures on body scanners and other security matters, must be tackled on an international basis.

Damian Green (Ashford) (Con): The Home Secretary always makes a lot, as he has just now, of the importance of embarkation controls on e-Borders when he talks about security at ports and airports. Will he confirm that the previous embarkation controls were dismantled by this Government? Yesterday, the Home Secretary said on the "Andrew Marr Show" that the previous Government "did away" with embarkation controls when, in fact, that happened on 16 March 1998 under the present Government. I have the written answer here with me. Will he confirm that he was misleading viewers yesterday and also that the full replacement system will not cover all our ports until 2014, giving us 16 years of unprotected borders?

Alan Johnson: The embarkation controls for most medium-sized airports and ports were abolished in 1994 under the previous Government. I believe I also said on the "Andrew Marr Show" that the previous Government were probably right to do so, in the sense that those embarkation controls were worth very little when it came to checking whether people were leaving the country. There was supposed to be a marrying up with the landing cards, but there was horrendous incompetence. What the Conservative Government failed to do was to introduce a replacement, which we have sought to do. As for the hon. Gentleman's comments about 2014, 95 per cent. of e-Borders will be in place by 2011. The remaining 5 per cent. relate to the small ports and harbours, which will necessarily take longer. However, all air travel will be covered by 2011.

Police Officers (Criminal Records)

6. **Mr. Gordon Prentice** (Pendle) (Lab): How many serving police officers in England have a criminal record. [315834]

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): Police officers are expected to demonstrate the highest professional standards of behaviour. Information on the number of serving officers

who have criminal records is not held centrally. Decisions on whether to employ an individual who has such a record are a matter for each individual force.

Mr. Prentice: My spies tell me that hundreds of serving police officers have a criminal record. My question is about applicants with a criminal record, who can be rejected by the chief constable concerned without the chief constable giving reasons. Is there not a case for an appeal mechanism, perhaps to a police authority, for someone who desperately wants to become a police officer, has turned over a new leaf and is a completely reformed character?

Mr. Hanson: The regulations for police applications are governed by the Police (Conduct) Regulations 2008, which, as I am sure my hon. Friend knows, set out the conduct and standards of professional behaviour expected of police officers. Those hoping to join the service must declare on application whether they have any convictions or cautions, spent or otherwise. As my hon. Friend has said, the matter is one for the chief constable concerned. I am happy for police authorities to have roles on the issue, but ultimately it is for the local force to determine the seriousness of the offence concerned.

Stop-and-Search Powers

8. **Mr. David Heathcoat-Amory** (Wells) (Con): What recent assessment he has made of the effectiveness of stop-and-search powers under section 44 of the Terrorism Act 2000. [315836]

15. **Michael Fabricant** (Lichfield) (Con): What recent assessment he has made of the effectiveness of the use of stop-and-search powers under section 44 of the Terrorism Act 2000; and if he will make a statement. [315844]

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): The Home Office and police keep the effectiveness of section 44 under constant review. The noble Lord Carlile, the independent reviewer of terrorism legislation, also reviews the operation of section 44 and reports his findings to Parliament. I believe that section 44 remains an important tool in countering the threat of terrorism.

Mr. Heathcoat-Amory: Since the police can use random stop-and-search powers to look for personal items such as cameras, and people can be stopped from photographing public buildings, are we not in danger of going back to what East Germany was like before the wall came down, when people could be arrested for photographing a bridge? As Parliament's intentions in this respect are being exceeded, will the Government look again at the matter in order to maintain confidence between the public and police?

Mr. Hanson: I believe that Parliament's intentions are being met. We face a severe threat of potential terrorist activity. Every approval of section 44 powers is by a senior officer in the local police force, and is then subject to my approval as the Minister, and to independent review by the noble Lord Carlile. In London alone over the last year, we have seen a 40 per cent. increase in the use of section 44. It remains an important tool in stop and search, not least because it is a deterrent and can help to foil potential terrorist activity.

Michael Fabricant: The Minister keeps referring to Lord Carlile, who has himself said that

"section 44 is being used far too often on a random basis without any reasoning behind its use".

Both the Aberystwyth and Lichfield camera clubs have told me that people taking innocent photographs have been stopped in London. It is not good enough; when will it change?

Mr. Hanson: I am sorry, but Lord Carlile, in his report on 2008, published last June, said that section 44 remains

"necessary and proportional to the continuing and serious risk of terrorism."

This is a matter for operational judgments by the police. In the Crime and Security Bill Committee, the Opposition tabled an amendment to delete the whole of section 44, which would not be sound or viable. Section 44 serves a function and protects the public, and I hope that the Opposition will support its use.

Mr. Crispin Blunt (Reigate) (Con): As the Minister knows, the amendment concerned was a probing amendment to encourage debate on the matter. As he also well knows, the stop-and-search powers under section 44 have been falling into disrepute, given that 180,000 searches took place in 2008 under those powers. The Government's failure to act has meant that Liberty and the judges are now acting for them. Uncertainty about what powers will be available to the police have hindered planning for the Olympic games, for example. That has created a substantial mess. Will the Minister apologise to those who will have to sort out that lamentable inheritance?

Mr. Hanson: I will not apologise for the fact that we have a power that helps to protect people in the city of London—potentially—from severe terrorist activity. In the past year alone, there has been a 40 per cent. reduction in the use of stop-and-search powers in the Greater London area. The powers are strictly monitored, and they are used for a purpose. We will examine the ruling by the European Court of Human Rights, and we are currently considering an appeal, but let us not get away from the fact that this is important legislation. It is being used properly, and I support its continued use.

Firearm and Shotgun Licences

9. **Mr. Andrew Robathan** (Blaby) (Con): How many police (a) officers and (b) civilian staff are employed in the administration and checking of firearm and shotgun licences. [315837]

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): In March 2009, 62 police officers were employed in the firearms and explosives functions in England and Wales, alongside 582 police staff of whom five were police community support officers.

Mr. Robathan: I am sure that we are all very concerned about the scourge of gun crime in this country, but I wonder whether this expensive, bureaucratic paraphernalia does much to combat it. Can the Minister tell us exactly how many weapons used in crime have been legally registered?

Mr. Campbell: The number of firearms offences has fallen in each of the last five years, partly because we have some of the tightest controls on legally held guns to prevent them from being used by criminals. It is true that legally held weapons are being stolen, and the Association of Chief Police Officers and the British Shooting Sports Council are trying to establish what further advice is necessary.

Immigration System (Tier 4)

10. **Mr. Rob Wilson** (Reading, East) (Con): What recent assessment he has made of the effectiveness of the operation of tier 4 of the points-based immigration system. [315838]

12. **Andrew Selous** (South-West Bedfordshire) (Con): What recent assessment he has made of the effectiveness of the operation of Tier 4 of the points-based immigration system. [315841]

18. **Mr. Desmond Swayne** (New Forest, West) (Con): What recent assessment he has made of the effectiveness of the operation of tier 4 of the points-based immigration system; and if he will make a statement. [315847]

The Minister for Borders and Immigration (Mr. Phil Woolas): The review of tier 4 has made a number of recommendations, including the setting of a new minimum standard of English for those who wish to study at below degree level—including English language students—and measures to stop short-term students from bringing their dependants to the United Kingdom, to halve the amount of time for which students studying at below degree level can work, and to withdraw their dependants' permission to work. We will present consequential rules shortly.

Mr. Rob Wilson: A leaked memo revealed that the Government had been warned by an immigration intelligence unit that tier 4 of the points-based system was "significantly weaker" than the system that preceded it. Does the Minister now accept that his Government introduced a system that was far too easy for bogus students and bogus colleges to exploit?

Mr. Woolas: No, I do not, but I understand why the hon. Gentleman is worried if that leak is all that he has to go on. The report was not accurate. We have responded to the concerns expressed by our front-line staff, as we rightly should, but the information gathered by our officers misrepresented the position by suggesting that officers did not have enough powers. We are taking measures to give them more power, but I hope that the hon. Gentleman is reassured to learn that we are able to do that precisely because we established that system. In the past, there were no controls of this nature.

Andrew Selous: What is the Minister's best estimate of the number of bogus students who are working more than the permitted number of hours in the black economy?

Mr. Woolas: I take the issue very seriously, which is why we are seeking to tighten the regime, but I hope the hon. Gentleman accepts the logic of my answer. It is not possible to say how many bogus students are working above those limits, because, by definition, they are acting outside the regulations. We have, of course, been given estimates, and the best estimate is that the new tier 4 system prevented about 2,000 colleges from admitting overseas students. The action that we are taking is consequential to that, as we continue to engage in what is in effect a cat-and-mouse game with those who wish to abuse our hospitality.

Mr. Swayne: Dos the Minister agree that points acquired for a course offer or a bank statement are no substitute for the judgment of an experienced immigration officer who has satisfied himself that an applicant is coming to the country only to study, will leave after completing his studies, and is not coming here to work?

Mr. Woolas: I have always admired the hon. Gentleman's common sense. The answer is yes, I do agree with him, but it is not a case of either/or. Of course the immigration official at port has powers, and we are seeking to enhance them. It is right for there to be checks on the finances—the availability of money for people to support themselves—but it is also right for officers, both in overseas posts and here, to be satisfied that an applicant is genuine. In that context, our biometric fingerprint visas and foreign national identity cards do a superb job.

Mr. Stephen Hepburn (Jarrow) (Lab): Will the Minister give my constituents an assurance that their jobs are not under threat from legitimate immigration, and that he will be tough on bogus immigration?

Mr. Woolas: Yes and yes. The system my right hon. Friend the Home Secretary has put in place is a fantastic system. It says that we will allow people into the country under tier 2 where there are skills shortages, but also that in those skills shortage areas there must be training programmes for indigenous and local people, so that the jobs are also available to them.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): The Minister will recall the debates we had last year about the two Patagonian women who wanted to come to Wales to learn Welsh. How will the imposition of a minimum level of English assist them and other people in their circumstances? Instead, it will make things 10 times worse, will it not?

Mr. Woolas: The Government are fully aware of the importance of the cultural links between Wales and Patagonia. Indeed, if I was not previously aware of that, I am now, but I am afraid I have to tell the hon. Gentleman that however lovely the two girls were—and they were—we cannot waive the immigration rules just because he likes them. We have to have robust rules, and there is a consensus in the House—there was not one

five years ago, but there is now—that English language is a desirable requirement for people who wish to immigrate into our country.

Chris Grayling (Epsom and Ewell) (Con): I am glad that the Minister has now worked out what he actually did announce yesterday. Let me probe him on that, therefore. The reality is that these announcements will only have any value if they are enforceable, so can he answer this question: how many students have been prosecuted for working more than the current 20-hour-a-week limit?

Mr. Woolas: To be fair to me, I did not announce anything yesterday. Turning to the hon. Gentleman's serious point, however, I do not have the figures for prosecutions in respect of the number of hours worked, but I will see whether I can provide them to the House as I am sure they are available. I am surprised that the hon. Gentleman does not welcome these policy proposals, however. It is important that the system is not abused. If somebody is coming here to study for a genuine course, that should be facilitated given the importance, which I know he accepts, of overseas students to our economy in the short and long term. That should be the reason for entry, rather than so that, as an indirect consequence, people are in fact coming here to work, which undermines the points-based system that I think both he and I support.

Identity Fraud

11. **John Robertson** (Glasgow, North-West) (Lab): What steps his Department is taking to reduce the incidence of offences involving identity fraud; and if he will make a statement. [315839]

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): The Government are working with a number of agencies to tackle identify fraud and advise the public. This is coupled with our continuing roll-out of identity cards and, in future, modern passports, to provide people with a highly secure means of protecting and proving their identity.

John Robertson: I thank my hon. Friend for her answer. A national identity fraud prevention week study found that more than 59,000 criminal acts of impersonation were recorded in the first nine months of 2009, a 36 per cent. increase on the figure for the same period of 2008. Will my hon. Friend take whatever steps are necessary to make the public aware of these fraudsters, and what legislation can she bring forward to ensure that people are protected?

Meg Hillier: We have no intention of introducing any further legislation because we believe we have the tools in law to deal with this issue, and we already have the identity fraud communications awareness group, a multi-agency group that works to highlight the challenges of identity fraud. I should also reiterate my point that we are rolling out a programme of more secure identity cards and passports, which will enable citizens to protect themselves against this form of crime.

Mr. Nigel Evans (Ribble Valley) (Con): Identity cards will not help people to protect themselves against fraud on the internet. I chair the all-party group on identity fraud, so I am aware that identity fraud is one of the fastest-growing crimes in the world. Does the Minister believe that financial institutions have a responsibility to make their customers aware of phishing attacks, boiler room fraud and other sorts of ID fraud so that they can better protect themselves?

Meg Hillier: I congratulate the hon. Gentleman on leading some of the work on this matter as chair of the all-party group on identity fraud, and I agree with him that online fraud is a big problem. However, I disagree with him on other things, because ID cards can be a major way of tackling such fraud. In Germany and Belgium, ID cards are often used as a way of proving age online, and that in itself can help to prevent certain fraudulent transactions. Proving identity online can be a way of helping to tackle identity fraud in that area.

UK Visas

13. **Mr. Neil Gerrard** (Walthamstow) (Lab): What recent changes have been made to the service provided by the hon. Members' inquiry line on UK visas. [315842]

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): The MPs' visa inquiry line was merged on 4 January with the UK Border Agency's main MPs' inquiry line to provide a single point of contact for hon. Members to inquire about constituency cases.

Mr. Gerrard: I understand the theory that having a single point of contact is a good idea, but what seems to be happening in practice is that the inquiry line cannot answer any questions about visas so they go to the MP account manager, who then takes the matter up with the visa inquiry line people—and thus we go round in a circle. As a result, it is taking far longer to get replies and far longer for us to be able to respond to inquiries from constituents.

Meg Hillier: I am aware that a number of hon. Members used to contact posts direct, but that caused some difficulties because not all overseas posts had a dedicated visa inquiry line. That meant that a visa officer might often not have been available to take calls; it diverted visa officers from dealing with the cases in time; and it meant that they might have had to take certain things out of the queue. It is important that we have a fair access system, so I am happy to talk to my hon. Friend about his experiences, as a very assiduous constituency MP, in this matter. I am happy to arrange a meeting with him to discuss any particularly problematic cases.

UK Border Agency

14. **Mr. Richard Benyon** (Newbury) (Con): What his most recent assessment is of the performance of the UK Border Agency; and if he will make a statement. [315843]

The Minister for Borders and Immigration (Mr. Phil Woolas): UKBA continues to build on our achievements of the past few years, bringing together customs and immigration functions as well as visa services, here and overseas. UKBA has made strong progress in improving

performance. That has included a significant increase in the number of removals of the most harmful foreign criminals, the speeding up of the rate at which we deal with asylum cases, and the introduction of screening of passenger movements into and out of the UK, which has resulted in more than 5,100 arrests.

Mr. Benyon: Three years ago, the Select Committee on Home Affairs produced a hard-hitting report, containing serious recommendations, on the agency's predecessor organisation. It is with great dismay that those of us involved in that report have recently learned of 40,000 cases that remain unresolved. In addition, the current Home Affairs Committee has produced a good report stating that

"the agency still has a long way to go before it is operating as efficiently and effectively as it needs to do."

Why, with these failings still in place, does the agency feel it necessary to pay out nearly £300,000 in bonuses to its employees?

Mr. Woolas: The hon. Gentleman's point is unfair. As I have explained to the Select Committee, whose Chair is in his place today, the 40,000 cases to which the hon. Gentleman refers are part of the process of getting rid of the backlog and archiving those cases. This is being done precisely to show that we can deal comprehensively with all those backlog cases. As I have said, significant improvements have been made in all the main target areas—asylum processing; removals; border controls; and arrests at the border—as well as in dealing with the legacy cases, with which the Select Committee has been concerned. I hope that the hon. Gentleman will recognise that the big picture is one of significant improvement.

Mr. Lindsay Hoyle (Chorley) (Lab): Of course UKBA needs support, so has the Minister considered employing troops who have been injured, thus giving them a purpose in life? Has he considered whether we should have talks about the establishment of a border force regiment to stop our borders being porous?

Mr. Woolas: My hon. Friend has raised this issue before and has written a detailed letter about it, and I see value in his proposal. Of course these people could bring many attributes to not only our border control but our immigration processes, which is why I have agreed to consider his suggestion.

Mr. James Clappison (Hertsmere) (Con): A few moments ago, in reply to my hon. Friend the Member for New Forest, West (Mr. Swayne), the Minister said that he believed in the discretion of immigration officers in dealing with applications for student visas. Will he tell us what proportion of applicants for student visas are seen by an immigration officer before they arrive?

Mr. Woolas: I accept the point behind the hon. Gentleman's question, but he is confusing two issues. There is the issuing of the visa in the overseas post—of course we see all applicants because we take their fingerprints, and identity fraud is, of course, critical—and there is then the matter, to which his question relates, of the discretion of the border officers at the airport or port. I think the hon. Gentleman agrees that officers should not be able to make a decision without any criteria. There have to be reasonable grounds for suspicion, because the decision could be challenged. We are trying to get the balance right. I think that I and my right hon. Friend the Home Secretary have responded to the concerns of the immigration officers.

Under-age Drinking

16. **Mr. Jim Cunningham** (Coventry, South) (Lab): What steps the Government are taking to reduce levels of under-age drinking (a) in Coventry and (b) nationally. [315845]

The Secretary of State for the Home Department (Alan Johnson): The number of young people stating that they had consumed alcohol in the previous week is down from 26 per cent. in 2001 to 18 per cent. in 2008. However, those who do drink are consuming much more. The steps we have taken include publishing the youth alcohol action plan, commissioning the chief medical officer's guidance on alcohol consumption and providing £1.5 million in priority areas to tackle under-age sales and to confiscate alcohol from under-18s. We have also run communication campaigns to tell people what action is being taken to reduce alcohol-related crime and disorder in their local area. The legal requirement on those selling alcohol to seek age verification is an important element of the mandatory code that will come into effect later this year.

Mr. Cunningham: I thank my right hon. Friend for that answer. Will he say what discussions he has had in order to implement what he has just outlined with licensing authorities or local authorities as regards the licensing of small stores in neighbourhoods where there are large numbers of young people roaming about at night?

Alan Johnson: We have had discussions with the sector over many months. Of course, we are moving from a voluntary code, which has not worked, to a mandatory code. The views of everyone concerned are being taken into account. A small but significant group of irresponsible corner shop owners and so on thrive on the fact that the responsible part of the sector has age verification rules at the moment and takes action to try to cut down these problems. That can mean that the problem sometimes migrates to the smaller stores. We are talking to the sector, to the industry and to licensees, and that will be shown in the success of the code.

Bob Spink (Castle Point) (Ind): I thank the Government for what they have done in taking this issue seriously. Does the Secretary of State accept that it is always right for the police to involve parents, where possible, when under-age young people are caught in possession of alcohol in public? Does he accept that my private Member's Bill, which became the Confiscation of Alcohol (Young Persons) Act 1997, makes that a requirement?

Alan Johnson: I pay tribute to the hon. Gentleman for pushing for this over a long period of time. Of course, the Policing and Crime Act 2009 will allow the police to confiscate alcohol without having to go through the difficult and convoluted process of having to prove that the youngster concerned intended to drink that alcohol. It can be confiscated without taking those measures.

That and a number of other important initiatives that are being introduced as part of that Act will make an enormous contribution.

Alcohol-related Crime

17. **Ms Sally Keeble** (Northampton, North) (Lab): What steps he plans to take to reduce the level of alcohol-related crime. [315846]

The Secretary of State for the Home Department (Alan Johnson): Alcohol-related violent crime has fallen by a third since 1997, and the 2008 review of the Licensing Act 2003 found that serious violent crime at night was down 5 per cent. since its introduction.

The alcohol provisions in the Policing and Crime Act were introduced on 29 January, including greater powers to tackle irresponsible drinking. Our £1.5 million cash injection into priority areas will include funding for an information campaign to tell people what action is being taken to reduce alcohol-related crime and disorder in their local area.

Ms Keeble: I warmly welcome the implementation of the code to which my right hon. Friend referred in his answer to the previous question. The price of alcohol is going down in Northampton, where it is targeted at students, from £1.50 a pint and 50p a shot, so will my right hon. Friend say whether he will consider the introduction of a minimum price to provide a floor below which the cost of alcohol cannot go?

Hon. Members: Hear, hear.

Alan Johnson: I see that there is Back-Bench support for this. We have been looking at this issue for some time, and the important first step is to get evidence to show that we can link increasing violence to it, and that we can link health issues to the pricing of alcohol. We know that those things are down to alcohol, but is pricing a mechanism that can be used to help the problem? We commissioned the university of Sheffield to provide the most comprehensive study yet of this issue, and we are still examining that report before coming to a conclusion.

Miss Anne McIntosh (Vale of York) (Con): Does the Home Secretary accept that under-age drinking, particularly of alcohol that has been bought in supermarkets and other stores, and antisocial behaviour are rising in market towns such as Thirsk? Will he therefore consider adopting a radical strategy to prevent that sort of under-age drinking from leading to antisocial behaviour?

Alan Johnson: Such behaviour may well be rising in towns such as Thirsk. I have quoted the British crime survey figures which show that alcohol-fuelled violence is down. Consumption by young people is also down; the problem is binge drinking—the hon. Lady is absolutely right to draw attention to that—and the problems that it can cause. I believe that one of the answers for towns such as Thirsk is the so-called Cardiff model, which can be replicated in smaller towns. Under that model, the police, licensees, the local authority and the national health service get together to tackle these issues. In the first year that the model was used in Cardiff, there was a 60 per cent. reduction in the amount of crime associated with violence on Friday and Saturday nights. Part of that was to do with the introduction of polycarbonate glasses, but there is a whole range of measures that can be brought to bear if the police are helped by local authorities, the NHS and other agencies in tackling these problems.

Topical Questions

T1. [315854] **Tom Brake** (Carshalton and Wallington) (LD): If he will make a statement on his departmental responsibilities.

The Secretary of State for the Home Department (Alan Johnson): In keeping with my departmental responsibilities, I am pleased to announce that, from today, young people aged 16 to 24 who live in Greater London can enrol for a national identity card. Our call centre is taking hundreds of calls a day from members of the public who are keen to get a card, and thousands of application packs have already been requested since the cards were officially launched in November 2009.

Tom Brake: On 14 December, here, the Home Secretary pledged to address how plain-clothed police officers should react in public protests. In contrast, the Association of Chief Police Officers' lead on these matters has said that she will not issue guidance because officers should not be deployed in that way, thereby neglecting the fact that 25 such officers were deployed by the City of London police at the G20 protest. Who leads on this issue: the Home Secretary or ACPO?

Alan Johnson: We have asked ACPO to produce guidance as part of our response to the White Paper of December last year. ACPO is producing guidance that will come before Ministers shortly, of which a key criterion will be that all officers who take part in such activities should be identified by a number. The guidance will be produced shortly.

T3. [315856] **Martin Linton** (Battersea) (Lab): My right hon. Friend will be pleased to know that I am applying for an ID card. I want to know the practical effect of abolishing the national identity register. Surely all the information that I must give to get an ID card—my name, address and date and place of birth—has already been given in my passport application. Will not the abolition of one database while the other is left in place make absolutely no difference?

Alan Johnson: My hon. Friend is absolutely right. It is one thing for the Conservatives to oppose the ID cards that they supported on Second Reading in December 2004 and that the hon. Member for Epsom and Ewell (Chris Grayling) also privately supported in a ten-minute Bill in 2002—it is one thing for them suddenly to flip-flop on that—but it is another thing completely for them to say that one can have a biometric passport, which they support, without a national identity register. That is complete and utter nonsense.

T2. [315855] **Mr. David Heathcoat-Amory** (Wells) (Con): What is the view of the Home Office on the right of prisoners to vote in general elections? I know that there are a number of cases pending on this issue, based on

human rights grounds, and I should like to know whether I should ask to go canvassing in Shepton Mallet prison next weekend.

Alan Johnson: I am tempted to say it is OK if the prisoners vote Labour. Happily, this is a matter for the Ministry of Justice, on which the Home Office does not yet have a view.

T5. [315859] **John Mann** (Bassetlaw) (Lab): Ever since I raised with the Prime Minister the question of policing distribution in Nottinghamshire in early December, I am pleased to say that 84 police have been permanently redeployed to the north of the county. Will my right hon. Friend ensure that Her Majesty's inspectorate, which is currently looking at Nottinghamshire police, look long, hard and deep at why it required an intervention on the Floor of the House before those police were properly redeployed?

The Minister for Policing, Crime and Counter-Terrorism (Mr. David Hanson): My hon. Friend will know that there has been a redeployment of officers to his constituency and there are still record numbers of police officers in Nottinghamshire. The inspectorate is undertaking a capability review, which I expect to be completed within the next four or five weeks. It will give a view on the potential for future policing of Nottinghamshire.

T4. [315857] **Norman Baker** (Lewes) (LD): The Home Secretary will be aware that Kent police have accepted that they behaved inappropriately in indiscriminately using section 44 powers at the Kingsnorth power station demonstration, as well as behaving in other ways that are unacceptable, including assaulting peaceful demonstrators, as I witnessed with my own eyes. What lessons is the Home Secretary drawing from that incident to ensure that police tactics do not replicate it in future?

Mr. Hanson: There are a number of lessons to be learned from the Kingsnorth incident, and Kent police are looking at those. One of the wider issues has been the policing of protests generally. That is why, in the White Paper before Christmas, we indicated strongly that we needed to examine the issue, draw up guidance, and work with ACPO and authorities to do so. We are in the process of completing that guidance, which I hope to bring before the House after the general election.

John Reid (Airdrie and Shotts) (Lab): The Minister will understand that I take a particular interest in the effectiveness and efficiency of the Home Office and its administration. In the light of the recent capability review, may I extend my congratulations to all those in the Home Office who have brought about such improvements in recent years, particularly in immigration, borders and the treatment of asylum cases, including the backlog? Will he extend the congratulations of the House on the efforts that have been made by the staff in the Home Office?

Alan Johnson: My right hon. Friend makes an important point. For everybody working in the Home Office—all the people who went through a period when, if I remember the description that my right hon. Friend gave, it was probably less than perfect—to come from that capability review, which placed the Home Office, I believe, second from the bottom of all Whitehall Departments to second from the top, is an enormous tribute. I also pay tribute to my right hon. Friend for laying some of the foundations upon which we are now able to build in the Home Office.

T6. [315860] **David T.C. Davies** (Monmouth) (Con): On the train this morning I read a document which appeared to suggest that foreign national prisoners who are in prison in the UK are being allowed to leave up to nine months before the halfway point of their sentence, and are being given £5,000 as a present for when they arrive back where they came from. Can the Home Secretary assure me that that document was a malicious forgery and that such a thing could not possibly be happening in Britain today?

The Minister for Borders and Immigration (Mr. Phil Woolas): I am glad the hon. Gentleman was reading such a document on the train. I suggest he reads the *Daily Mirror* in future. He will see in that newspaper this morning that the crime figures are down. Part of the reason for that is the success that we have had in removing foreign national prisoners. We are doing so at record levels. My right hon. Friend the Home Secretary reminds me that the hon. Gentleman's party opposed the measures by which we are doing that, so I hope the hon. Gentleman changes his reading habits.

Natascha Engel (North-East Derbyshire) (Lab): When my right hon. Friend first took over as Secretary of State for the Home Department, I asked him whether he would consider banning mosquito devices, which send out high-pitched sounds which are very uncomfortable for children and young people. They are so effective and so uncomfortable for children and young people that they are often used to disperse them. If that were any other group, we would cry, "Discrimination!" Now that my right hon. Friend has had a chance to look at mosquito devices, will he ban them?

Alan Johnson: My hon. Friend is right. I remember well how she stumped me at my first Question Time, because I knew absolutely nothing about what she was saying. That is not uncommon for me, but I have since looked into the matter. There is evidence that shows that such devices can be helpful in the circumstances that the hon. Member for Vale of York (Miss McIntosh) described in Thirsk, for instance, where people feel that a congregation of rowdy young people is adversely affecting their quality of life. Where other systems to talk to those young people have not worked, those devices can assist the situation. Of course, there are health and safety aspects and the devices have to be used carefully, but I am afraid I am committed to using any device—or rather, devices that do not involve cruel and unusual punishments, but which bring about the improvement in behaviour that we all seek.

T7. [315862] **Mr. Alistair Carmichael** (Orkney and Shetland) (LD): What progress is the Under-Secretary, the hon. Member for Hackney, South and Shoreditch (Meg Hillier), making in addressing small boat owners' concerns about the proposals in the e-Borders programme to require them to file journey plans when moving between the UK mainland and Northern

Ireland? Why are they necessary when people entering Northern Ireland from the Republic of Ireland will not be listed?

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): We are having a lot of discussions with the bodies that represent small yachtsmen, and with yachtsmen themselves. I am dealing with a lot of correspondence on the matter—*[Interruption.]* I mean people sailing small yachts; I do not mind about the size of the yachtsmen or, indeed, yachtswomen. We continue to look at the matter, because the idea is that e-Borders should not be over-burdensome but do its job and ensure that people meaning harm to this country do not reach our shores.

Mr. Tom Watson (West Bromwich, East) (Lab): Police dogs in Yorkshire are entitled to anti-stab vests, yet police community support officers in West Bromwich are not. The Minister knows that procurement is devolved to a regional level, but will he remind the chief constable of the west midlands that the region is now only one of two with police authorities that refuse to issue anti-stab vests to PCSOs?

Mr. Hanson: My hon. Friend has assiduously raised that issue on several occasions, and he will know that ACPO is re-examining the guidance on anti-stab vests for police forces. As he said, only two forces do not issue them. I know that my hon. Friend will continue to look at the matter, and I shall certainly draw his remarks again to the attention of the chief constable.

T8. [315863] **Mr. Henry Bellingham** (North-West Norfolk) (Con): Can the Home Secretary give an exact figure for the number of asylum seekers who have failed their final appeal but still await deportation?

Mr. Woolas: With respect, I shall have to write to the hon. Gentleman with the exact figure. The UK Border Agency chief executive is writing to the Home Affairs Committee—this week, I think—about the current situation. We are now dealing with 60 per cent. of asylum claims within six months, and we have the lowest level of asylum applications since 1993, so good progress is being made.

Mr. Neil Gerrard (Walthamstow) (Lab): Some foreign nationals in the UK already have to obtain biometric cards and, I think, pay for them. What advice will the Minister give to a constituent of mine who, when her credit card was stolen and she went to the bank to sort it out, was told that her biometric ID card was not proof of identity?

Meg Hillier: I shall be very keen to look up that case, because we have had the occasional instance of an ID card not being recognised. In every case so far, however, the relevant national body has said that it recognises the card as a matter of policy but an individual member of staff has, unfortunately, not been aware of that fact. We are working to get publicity out there, and we will continue to do so.

Simon Hughes (North Southwark and Bermondsey) (LD): What is the result of the Minister's review of immigration policy, which was promised in the Adjournment debate on the Floor of the House on 7 December? We hope that the review will mean that asylum seekers who want to make further representations will not have to go to Liverpool to make their case, even if they have no money to make their case, but will be able to go to their regional office. The Minister indicated that he was sympathetic to that.

Mr. Woolas: I thank the hon. Gentleman for the question and for his persistence in getting it in just at the end of today's session. We did have a very important debate, which I have pondered, and we have established exceptional criteria for those unable to travel, while maintaining the integrity of the scheme.

Mr. Lindsay Hoyle (Chorley) (Lab): The Forensic Science Service centre in Chorley is proposed for closure. I was led to believe that the chief constable of Lancashire police had been reassured about the decision and was happy with it. That is not the case: the police are very concerned about urgent casework not being solved, and about where the scientists will be when it comes to future crime. So we have been misled. What is the answer?

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): I do not believe that anyone has been misled in this regard. People were consulted over the transformation programme. It is important that the FSS undergoes this change in order that we secure the remaining sites. The work that will be undertaken on those sites is a very important part of fighting crime. The transformation process is absolutely essential.

Christopher Fraser (South-West Norfolk) (Con): Further to the question asked by my hon. Friend the Member for Scarborough and Whitby (Mr. Goodwill), some people are stockpiling high levels of "legal high" substances in anticipation of their being banned so that they can sell them on for a profit. What are the Government doing to stop this?

Alan Johnson: As I said earlier, the first step is to take the advice of the ACMD. The second step is to implement that advice as quickly as we can after consultation. The third step, once those drugs are illegal, and once we have a generic classification, is to deal with the people who are then in breach of the law.

Speaker's Statement

3.30 pm

Mr. Speaker: I wish to make a statement to the House about the application of the sub judice rule.

Once criminal proceedings are active by a charge having been made, cases before the courts shall not be referred to in any motion, debate or question. The House will be aware that charges have been made against three Members of the House and that therefore the sub judice rule applies to their cases. The matter is therefore before the courts, and the House and Members would not wish to interfere with the judicial process, risk affecting the fairness of a criminal trial or, furthermore, prevent such a trial taking place.

Devolution (Northern Ireland)

3.31 pm

The Prime Minister (Mr. Gordon Brown): With your permission, Mr. Speaker, I wanted to report to the House at the earliest opportunity on the agreement reached at Hillsborough castle between the Democratic Unionist party and Sinn Fein, and which we and the Irish Government fully support. This agreement will lead to the completion of devolution of power in Northern Ireland. I want also to report on the accompanying arrangements that Parliament will need to make to enable devolution to be completed.

I am making this statement conscious that General de Chastelain has today announced that the Irish National Liberation Army—responsible for more than 110 deaths during the troubles—and the official IRA have decommissioned their weapons. I have also just been informed that the last loyalist organisation, the South-East Antrim Ulster Defence Association, has this afternoon just completed its decommissioning. I think that the House will want to record our thanks to the international commission, which has now overseen decommissioning by the UDA, the Ulster Volunteer Force, the Provisional IRA, and now the INLA and the official IRA—a central part of the process of moving Northern Ireland from violence to peace.

In 1998, with the signing of the Good Friday agreement, Northern Ireland opened a new chapter in the peace process. The St. Andrews agreement marked the next step forward. Now, we have reached a significant and defining moment. Each of the Northern Ireland agreements since 1998 has had a different basis on which it was reached. The Good Friday agreement was an agreement between the participants to the talks, including the two Governments. St. Andrews was an agreement between the two Governments, later endorsed by the parties through their participation in the newly elected Assembly. The Hillsborough castle agreement—the final stage of the journey to completing devolution—was reached between the two parties which are the largest in the Assembly following the 2007 elections. The agreement was the outcome of many hours of talks, consultations and plenary meetings involving all the Assembly parties, and we should be in no doubt about its significance. Without this agreement, the work done at St. Andrews and Belfast could not have been moved forward. Without the completion of devolution, the whole process of devolution and the peace process itself would be at risk. So this agreement is essential to securing the future, because in turn it will also bring stability, investment, and jobs.

For decades, conflicts over institutions have dominated the politics of Northern Ireland. Even in the past two years, a failure to agree on the devolution of policing and justice has cast a shadow over Northern Ireland's politics. When the cross-community vote takes place on 9 March and the parties request the transfer of powers, Northern Ireland's politicians will, by 12 April, have full control over their Government and be able to focus on the economy, on jobs, housing and public services and, of course, on policing and justice. With this agreement, communities once locked in the most bitter of struggles are choosing to be bound together in a shared future with a common destiny. It must be in a spirit of partnership.

[The Prime Minister]

None of that could have been achieved without close working with the Irish Government. I know that the whole House will want to pay tribute to the Taoiseach, Brian Cowen; the Irish Foreign Minister, Michael Martin; and the Taoiseach's predecessors, Bertie Ahern and Albert Reynolds. Nor could it have been achieved without the continued and unstinting support of the American Government and Presidents Clinton, Bush and Obama. I especially thank Secretary of State Clinton for her generous support in the last few months.

The agreement is the conclusion of a process. The House will want to record its thanks to Tony Blair for his work and to John Major before him, as well as to previous Secretaries of State for Northern Ireland, some of whom are with us this afternoon. I want to record my personal thanks to them, to the current Secretary of State for Northern Ireland and to his Minister of State, my right hon. Friend the Member for Wythenshawe and Sale, East (Paul Goggins) for the time that they spent in detailed negotiations. I thank them all for their patience, resilience and wisdom.

Two weeks ago, the Taoiseach and I joined the parties for part of the negotiations in Hillsborough. There has been comment about the amount of time needed to reach the agreement. We should recognise that the talks were demanding because they went to the very core of Northern Ireland's shared future, but implicit in the agreement that Sinn Fein and the DUP have now reached and there for all to support is an even greater prize—that the parties seize this opportunity together to build a new trust in a fresh spirit of respect, co-operation and understanding.

It is my view that the agreement represents a reasonable concord to put differences to one side and enter a better shared future in a spirit of good will. Four crucial breakthroughs have been made. First, the parties have resolved the outstanding issues on the transfer of policing and justice powers and agreed a timetable for the completion of the final stage of devolution. Following cross-community consultation, the First and Deputy First Ministers will jointly table a resolution seeking a transfer of policing and justice powers by means of a cross-community vote in the Northern Ireland Assembly four weeks from tomorrow, on 9 March, for devolution to occur on 12 April. This Parliament will then be asked to approve the necessary transfer orders so that devolution can occur on that date.

Secondly, the parties have agreed how the devolution of policing and justice will work in practice and, in particular, how the relationship between the Justice Minister and the Executive will work.

Thirdly, the parties have committed to a new and improved framework for regulating and adjudicating parades, which will maximise cross-community support. At its core is a commitment to ensuring local dialogue, transparency and mediation, as well as specific proposals for dealing with contentious parades. The First and Deputy First Ministers will set up a co-chaired working party to take forward that work, and legislation on the agreed outcomes will be completed in the Northern Ireland Assembly before the end of this year.

Fourthly, the agreement proposes to address how devolved Government could work better in Northern Ireland. In the talks, all parties raised the issue of the need for greater efficiency, transparency and inclusiveness. It is clear from the agreement that that was firmly recognised. The First and Deputy First Ministers have proposed three very important working groups at Executive level, which will begin work immediately. I am pleased that the First Minister is in the House today while we are discussing it.

The first working group will consider how the Executive might function better and how delivery might be improved. The two others will deal with all outstanding Executive business and make recommendations on how progress can be made on all matters outstanding from the St. Andrews agreement.

The House will know that last October, I sent all party leaders in Northern Ireland the proposals for a financial settlement worth an additional £800 million to underpin the new Department of Justice, available only if and when the parties decided to take the historic step of requesting the transfer of policing and justice powers. All the details have been studied by the Assembly and Executive Review Committee. The financial settlement will ensure stability for the new Department, enabling it to deal with the issues outstanding from the troubles and current security needs. I am sure that the House wishes to ensure that in reaching such an agreement, the Department has the stability and resources to complete the Patten proposals on policing and meet the unique pressure of Northern Ireland's past and present security needs.

Taken together, those parts of the agreement will lead to a better functioning Northern Ireland Executive who are better able to focus on growth, jobs, public services and, of course, law and order. I believe that our duty now is to do all we can to encourage the parties to support and give effect to this agreement. Subject to the cross-community vote on 9 March, the First Minister and Deputy First Minister have now agreed to support an accelerated passage for the budget Bill and any related Assembly steps to ensure devolution of powers by 12 April.

Too many lives have been lost in Northern Ireland. Just a few weeks ago dissident republicans tried to murder a police officer, Constable Heffron. They did not succeed, but he was very badly injured. There have been significantly more attacks in the last 12 months than in any recent year. Indeed, just 12 months ago the House will record with sadness the murders of two brave young soldiers, and on 9 March last year criminals also murdered a brave Police Service of Northern Ireland officer, Stevie Carroll.

The Independent Monitoring Commission report at the end of last year was clear: early devolution would be a potent intervention on the activity of the dissidents. So the decisions made in the last few days are the most powerful signal we can send to those who chose violence over politics. I hope that the whole House will join with me in sending an unequivocal message to those who would defy the will of the people: that the politics of peaceful change must irrevocably succeed in Northern Ireland, and it must overcome whatever obstacles are put in its way.

The next stage is to show that this new stability can bring results in jobs and prosperity. So I am grateful that Secretary of State Clinton has immediately announced her invitation to the First Minister and Deputy First Minister to meet her and the US economic envoy,

Declan Kelly, to see how together the UK, Irish and American Governments can together accelerate all options for encouraging new inward investment and jobs into Northern Ireland.

The peace process has taken men and women of courage, who were prepared to set the past aside in the service of the future. The peace of Northern Ireland and its future stability asks that we all put the interests of all its people above the interest of party. We have a proud record in this House of all-party support for the peace process. Today, it is important that we not only support the principle, but the dates in the agreement. Upon all of us falls the responsibility to make this work. Together we should complete the process of giving the government of Northern Ireland to the people of Northern Ireland. For with policing and justice in the hands of the Northern Ireland Executive, the future of Northern Ireland is finally and truly in the hands of its people. I commend this statement to the House.

Mr. David Cameron (Witney) (Con): May I thank the Prime Minister for his statement? We support devolution in Northern Ireland and we welcome the agreement reached between the Democratic Unionists and Sinn Fein. May I start by congratulating the British and Irish Governments and, in particular, the Prime Minister on their determination in helping to bring that agreement about?

As the Prime Minister will know, we have always been in favour in principle of policing and justice powers being devolved to the power-sharing Administration at Stormont. That is why we backed the legislation last year, that is why we will honour the financial package contained in the agreement, and that is why we released a statement immediately on Friday—a statement welcomed by the Northern Ireland Secretary.

Our overriding objective has always been, and always will be, to create a peaceful, prosperous and stable Northern Ireland in which all parts of the community have a shared future. For however long we have to sit on this side of the House, the Prime Minister will always have our fullest support in securing those objectives.

There has been much talk over the past three days of "a new chapter" and of the political process "coming of age". Does the Prime Minister agree with the First and Deputy First Ministers that there can be no going back? Does not the evil and cowardly attack on Constable Heffron in Randalstown last month, which the Prime Minister mentioned, more than demonstrate the dangers of that? No one should doubt how far we have come. We stand here with the name of Airey Neave, the first MP I remember, emblazoned above that door. He was murdered by the INLA just yards from where we are standing. As the Prime Minister said, General de Chastelain today announced that the INLA has decommissioned its weapons. That is how far we have come.

While the agreement is welcome, does the Prime Minister agree that there are a number of areas that require clarification? These are the position of the Chief Constable; timetables; parading; and some outstanding issues from St. Andrews. Let me take each of these in turn

Does the Prime Minister agree that the most fundamental principles in devolving policing and justice are the continued independence of the judiciary and the operational independence of the Chief Constable for policing? Of course, both are already enshrined in the law, and they are reiterated in the agreement. However, the usual formulation, "operational independence", has become "operational responsibility". Is there any significance to that change?

On timetables, the agreement proposes the transfer of policing and justice powers, as the Prime Minister said, on 12 April this year. As I understand it, under current legislation the Department of Justice in Northern Ireland, which would of course then be responsible for those matters, is due to be dissolved on 1 May 2012 unless there is an agreement on its replacement. Does that not mean that there is a risk of there being another set of very difficult negotiations unless we can resolve that now?

On parading, the commission established by the First Minister and Deputy First Minister is given just three weeks from 9 February to come forward with agreed proposals. Can the Prime Minister tell us what will happen to the proposed vote on policing and justice powers in the Assembly on 9 March if that deadline is not met, particularly given that there is a linkage between the two issues?

As the Prime Minister said, there is also a working group tasked with looking at improving the way in which the Executive function. I do not believe that there is a timetable for that working group to deliver its recommendations. Can he indicate when that group will be expected to report, and can he tell us whether it has any bearing on the timetable for devolution?

The First and Deputy First Ministers will examine elements of the St. Andrews agreement that have either not been faithfully implemented or not been implemented at all. Can the Prime Minister tell us which issues that will cover?

Last week's agreement is between the DUP and Sinn Fein, two of the four parties in the Executive in Stormont. On Friday, both the other coalition parties, the Social Democratic and Labour party and the Ulster Unionists, asked for time to study the agreement. Can the Prime Minister tell us what provision there is for that, and what consideration there will be of any reasonable concerns they might have? As the former leader of the SDLP, the hon. Member for Foyle (Mark Durkan), has said:

> "We will have to take our turn with other parties in proofing what is proposed, not trying to create problems, but pre-empting any possible shortcomings or problems there are with it so we can actually improve it".

May I commend that, and say how much I believe all other parties should take a similar approach?

We know from reports that a number of other issues were considered at Hillsborough, including the Irish language and the Presbyterian Mutual Society. There are also reports of agreements not included in the formal text. Can the Prime Minister clarify that?

Finally, we welcome the involvement and engagement of the United States and the discussion on greater US investment promised by Hillary Clinton. Can the Prime Minister confirm that that is, of course, contingent on the implementation of the agreement?

The whole House will want to thank the Prime Minister and the Northern Ireland Secretary for their very hard work to help bring this agreement about. Of course, the devolution of policing and justice is something that we

[Mr. David Cameron]

have to get right, but is it not important also that the politicians of Northern Ireland now move on and focus on the issues that people on the ground really care about, such as health, housing, schools and tackling social problems? Does the Prime Minister share my hope that that—a return to normal, healthy, democratic devolved politics as part of the United Kingdom—can now really happen in Northern Ireland?

The Prime Minister: First, may I thank the right hon. Gentleman for his very generous remarks about how people have come together to make this set of agreements possible? I agree with him that the all-party consensus that has existed on this set of challenges for many years is one that we should want to continue, and one that stands us in good stead for backing the agreements that have been made and for ensuring that on 9 March, we can encourage the Northern Ireland Assembly to make the decision to move forward with the devolution of policing and justice.

I am grateful for the right hon. Gentleman's support for the process and for the investment conference, which will go ahead, but of course only if the agreement is fully implemented with the devolution of policing and justice. I assume from what he said that he also supports the dates that we have set forward—9 March and 21 April—and I am grateful for that, as well. Northern Ireland began to move forward not only when the parties there agreed that they wished to come together to address issues that they had to face in common, but when all parties in this House agreed that it was essential that we worked together as well.

I shall deal with each of the right hon. Gentleman's specific questions in turn. The continued independence of the judiciary is guaranteed by the agreements. The Chief Constable is independent and will continue to be so, and I would read no significance into the use of the word "responsible". He has operational independence and reports to the Policing Board. That will remain, and I think everybody in Northern Ireland believes that that system has worked, and continues to work, well.

As for 2012—the point at which people have got to consider again the issue of the Department of Justice—it is true to say that the parties agreed that it should not at this point be changed, and that to do so might have made it more difficult to get the agreement they have. However, I have no doubt that if the devolution of policing and justice works, all parties will want it to move forward in exactly the way that has been designed, including after 2012.

On the working parties, it is true to say that three working parties are dealing the some of the most difficult issues. The Leader of the Opposition asked me about other issues raised at the talks. One of the working parties is going to deal with the issues that are still outstanding from the St. Andrews agreement—and I should tell him that that means all outstanding issues from that agreement. A working party chaired by junior Ministers on both sides will report to the First Minister and Deputy First Minister, and then to the Executive, on the basis of the agreement reached last week.

The issue of the future of the Executive and how they work deserves the views and recommendations of all parties in the Assembly. One point consistently made to me by the leader of the UUP is that it is important that the Executive can work well, and indeed better, in future. One issue that prevented the Executive working as well as they should was the cloud hanging over them before they established a solution to the problem of the devolution of policing and justice. It was perhaps inevitable that the Executive would not work as well as they could until that was resolved.

The proposal that has been put forward—it came from the First Minister and the Deputy First Minister—that a working party to be set up would be chaired by the leaders of the UUP and SDLP is a good one. I hope that they will find it possible to take up that offer, which allows them to participate in shaping how the Executive will work in future. When that working party should report is a matter for the parties to agree on, but I know that people will want to move things forward at the earliest opportunity.

I believe that the UUP is meeting today to consider its response, as is the SDLP. I am pleased that the previous leader of the SDLP, the hon. Member for Foyle (Mark Durkan)—he has now given way to Margaret Ritchie, whom I congratulate on her victory in the leadership elections—said that he was in favour of the agreement in principle but that he wanted to be sure of the details. Both those parties will look at the agreement, and I hope they come to the view that it is essential that we move forward with it and support the cross-community vote on 9 March. In my view, that would be the best way of sending a signal not only to those people of violence, but to the rest of the world, that Northern Ireland has resolved the problems that remained; that it is ready to move forward; that it is open to investment from the rest of the world; and, indeed, that it offers a peaceful and secure future.

As the Leader of the Opposition says, discussing housing, health, welfare, social security, education and the other issues that affect the people of Northern Ireland will be the main focus of the Assembly in future. That will be a huge change from the past.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I, too, congratulate the Prime Minister, the Secretary of State for Northern Ireland, the Northern Ireland Minister, the Taoiseach, the Irish Foreign Minister and, as the Prime Minister said, all their predecessors, on the considerable amount of work they put in to everything that led up to this very significant deal between the DUP and Sinn Fein. I also join the Prime Minister in recognising the painstaking work of General de Chastelain and his colleagues on the Independent International Commission on Decommissioning.

The Liberal Democrats have long believed that policing and justice powers should be devolved to the Assembly if and when it wanted such powers. That is a crucial element to devolution, and it will be a momentous achievement if the powers are indeed devolved as early as April, as the agreement has set out.

There is no place for party politics here: the biggest contribution that we in this House can continue to make is to do what we can, on a non-party basis, to ensure that normality returns to Northern Ireland. I am sure that the Prime Minister will recognise—indeed, he already has done—the importance of now bringing on board all the political parties in Northern Ireland, including those that were not directly involved in the negotiations. Will he confirm that he and the Secretary

of State will continue to help all the parties in Northern Ireland to work together constructively to avoid any further logjams in the peace process?

Finally, on one specific point, we share the concerns of our colleagues in the Alliance party that there is little in the agreement on how to build progress on community relations on the ground, which is where it counts, on everything from public services to the role of community groups. Perhaps the current agreement is simply not the appropriate place for such a commitment. Yet it is undoubtedly true that a political agreement between the parties will be durable only if it is accompanied by concrete steps towards greater integration between the communities. I spoke with David Ford about that this afternoon, and I know that he has also raised the issue directly with the Prime Minister. Does the Prime Minister agree that improved community relations are crucial to the future of Northern Ireland, and can he assure us today that the parties in Northern Ireland will work together constructively to take forward an agreed and practical community relations strategy?

The Prime Minister: I am grateful to the right hon. Gentleman, first, for his support for the agreement, and secondly, for his desire that all parties can move forward together in unison in supporting what has been agreed. I agree with him about the importance that the Alliance party has given to the talks. It was there from the beginning of the talks, and it was there right to the end. I praise David Ford, the leader of the Alliance party, and all the Alliance Members I talked to for their willingness to enter into discussions about the future of the Executive and, in particular, the programme for the Government. The Executive's strategy for cohesion sharing and integration is one of the vital foundations of Executive policy for the future. The Alliance party is keen to see that that policy shapes the work of the Department of Justice and other Departments for the future.

I can assure the right hon. Gentleman that the creation of a shared and better future, based on tolerance and respect for cultural diversity, is absolutely essential to what all parties have agreed they wish to see. They are going to bring forward a programme of cohesion and integration for that shared and better future. I thank the Alliance party for its involvement in that, as I thank all the parties for the way in which they have approached the final stage of the negotiations.

John Reid (Airdrie and Shotts) (Lab): It is very difficult for those of us in the House from outside Northern Ireland to understand just how challenging, difficult and sensitive the issues of law and order, and justice are. It is therefore to the credit of all the parties in the Northern Ireland, including the First Minister and Deputy First Minister, who have shown the courage and resilience to carry the process forward. May I also thank the Prime Minister and his Secretary of State? The role of the British Government, as an honest broker and a guarantor of the process and the settlement, is essential. If, after all the decades of mistrust, the Government ever deviate from that role of being an honest broker and become in any way partisan in those agreements, that will be very much to the detriment of the continuation of that process.

The Prime Minister: First, let me pay tribute to the work that my right hon. Friend did as Secretary of State for Northern Ireland and also during his period as Home Secretary, with responsibility for security. He has contributed to the process that has ended today, with the announcement here that the parties wish to support the devolution of policing and justice, and wish for that to happen only a few weeks from now.

I also agree entirely with my right hon. Friend that it has been of great benefit to the peace process that there has been all-party support in this House—all-party support when the Conservative party was in government, with Labour supporting the Conservatives, and all-party support while we have been in government, with the Conservatives, Liberals and other parties supporting what we do. If at any time we had lost that sense that this House was united in seeking to advance the peace process and the security of Northern Ireland, we would all have been the losers from it. I am determined that we work in the role of trying to move agreement forward between the parties.

My right hon. Friend is absolutely right to mention the important role of the First Minister and the Deputy First Minister. Without their determination to come to an agreement, without their skills at negotiation and without the patience that they showed when the negotiations were very difficult, we could not have succeeded in reaching an agreement. It is right to commend the First Minister and the Deputy First Minister, as I said, for the statesmanship they have shown in bringing their parties together and at the same time bringing Northern Ireland together.

Mr. Peter Robinson (Belfast, East) (DUP): May I join in the thanks to the Prime Minister, the Secretary of State for Northern Ireland and the Minister of State for the support and encouragement they have given throughout this process? May I express a firm and unalterable commitment to ensuring that every element of this agreement is faithfully implemented? We all have ways as individual parties of ensuring that the brakes can be put on and that things can be brought down, but only collectively can we ensure that we take them forward and that the process works.

I noticed that the Prime Minister emphasised the word "many" when he referred to the many hours of negotiations that had taken place, but will he accept that there are very special circumstances in respect of these sensitive functions and that the agreement reached acknowledges the independence of the courts and the operational independence of the Chief Constable and ensures that there is no interference in the role carried out by the Police Service of Northern Ireland board? It ensures that we have a Justice Minister, who will be elected by a cross-community vote in the Assembly and will have the support of all sections of our community and that any quasi-judicial decisions will be taken outside the political Executive who would be in power, so that there is an ability for any urgent decisions to be taken prior to the Executive's having to be consulted. Does he agree that all of these matters will give confidence to the people of Northern Ireland, who will be delighted at the fact that a new way forward is being offered in respect of parading, which has cost so much in the past in Northern Ireland?

Will the Prime Minister therefore accept that the institutions that we already have in Northern Ireland are not the politician's institutions, as the institutions belong to the people, so any alteration or addition to

[Mr. Peter Robinson]

them belongs to the people as well? It therefore becomes imperative that the institutions being changed have the support of the community and that there is confidence among that community. It can be expressed in two ways—through the consultation process outlined in the agreement and through the support of all the parties in the Assembly, and without that we cannot move forward.

The Prime Minister: I am very grateful to the First Minister. I was incredibly moved when he said in his speech on Friday that for all parties there must be "no going back", as there had been too much violence and too much conflict. As he said, there was only one way to go now, and that was forward. I confirm that everything he said about the Department of Justice, its relationship with the Executive, the powers of the Justice Minister and the quasi-judicial decisions that he or she would make is absolutely correct and in the agreement. What is most satisfying is that this agreement is jointly authored by the First Minister and the Deputy First Minister—by the Democratic Unionist party and by Sinn Fein working together. In the preliminary or prefix to the agreement, it states that they will address the problems on the basis of trust, "mutual respect and equality". I believe that that has come out of a long process of negotiation, through which people have had to come together, put aside the differences of the past and reach a solution for the future.

The First Minister is also absolutely right that there is a process of consultation, which he and the Deputy First Minister have inaugurated. On that basis of that consultation, they will put forward what they feel is the right resolution to the Assembly on 9 March. If that resolution is acceptable, we will of course move forward to the devolution of policing and justice by 12 April. I have made it clear that we will do everything in our power here to get the relevant changes put into effect in this Parliament to make that possible, while ensuring that the Department of Justice will be able, with the necessary financial arrangements in place, to start to deal with the problems it faces. I entirely agree that with the right hon. Gentleman that there is no going back. What has come out of these negotiations is the wish of every single party to move forward. I hope that every single party in the Assembly will now assent to the proposals and make them the basis of a very strong vote in the Assembly on 9 March.

Mark Durkan (Foyle) (SDLP): May I welcome the Prime Minister's statement and, more importantly, the positive announcement on Friday of which he and others were part? May I say to him that, based on experience, the public might feel a bit more hope if there was a wee bit less hype? Although some of us might have misgivings about how the Minister is to be appointed, as that departs from the Good Friday agreement—which, unlike all other agreements, was solemnly endorsed overwhelmingly by the people of Ireland, north and south—will he acknowledge that we nevertheless support the firm date for the devolution of policing and justice, and my party will vote for it in the Assembly and for any related measures in this House?

The Prime Minister and others have touched on the relationship between the Minister of Justice and the Executive. Does he recognise that some of us are also concerned about the relationship between the devolved and non-devolved functions? That interface could be sensitive, and we would not want controversies arising in which the Minister of Justice in Northern Ireland is left pleading ignorance and impotence. That would not be good for the integrity and credibility of a devolved justice system.

The Prime Minister: First, let me thank the hon. Gentleman for his outstanding record as leader of the Social Democratic and Labour party. I first met him 25 years ago, and have seen him work patiently for peace in Northern Ireland over the 25 years. He has an outstanding record in arguing the case not just for peace but for economic justice in Northern Ireland. We thank him for his service as a member of the SDLP.

I am also grateful for the hon. Gentleman's comments this afternoon. Although he is not a signatory to the agreement, he has not only supported it in principle but said that he will wish to vote for it on 9 March. I hope that is the message that all parties will take up so that we can move forward.

Obviously, the arrangements between the Minister of Justice and the United Kingdom Government will be such that he or she will be kept properly informed about what is happening, and will be able to make the decisions subject to the devolution of policing and justice in Northern Ireland. I believe that the process that is being agreed will work smoothly, so I assure him in that regard. Most of all, however, the House wants to thank him for everything that he has achieved.

Sir Patrick Cormack (South Staffordshire) (Con): On behalf of the Northern Ireland Affairs Committee, I unreservedly congratulate the Prime Minister, Secretary of State and Minister of State on what they have helped to bring about. I also congratulate the First Minister and Deputy First Minister on their courage and persistence. Will the Prime Minister also recognise, sensitively, that the Ulster Unionist party and SDLP—under Lord Trimble and John Hume, who were jointly awarded the Nobel peace prize for their efforts—showed us how to begin this road within Northern Ireland? Will he impress on them that their continued presence and participation is essential for success? We do not want the current Executive and Assembly to collapse as theirs did, but they have a vital role in ensuring that it will not do so.

The Prime Minister: I thank the hon. Gentleman for his chairmanship of the Northern Ireland Affairs Committee. He was in Northern Ireland as we were having talks and played a part himself in encouraging the parties to accept that an agreement is absolutely necessary. I value the comments and representations of the UUP and SDLP, and I of course have huge respect for Lord Trimble and John Hume and for what they achieved over the years. However, it is important to recognise that we now have an agreement. Although the parties are right to look at the detail of the agreement, it is important that they make up their minds—in my view, the right decision would be to support the agreement. The former leader of the SDLP has said today that he will support it, and I hope that soon we will have the same answer from the Ulster Unionist party.

In the past, we have succeeded through all parties in the House seeking peace. The importance of this agreement is that it is between the parties in Northern Ireland, and

the wider the agreement, the better it will be for the future. I have had talks with the DUP and Sinn Fein, but I have also had talks with the SDLP, the UUP, and, of course, the Progressive Unionist party. All have a big part to play in the future of Northern Ireland, and I hope they will be able to vote yes in the cross-community vote on 9 March, and that they will tell us soon that that is what they wish to do.

Frank Dobson (Holborn and St. Pancras) (Lab): I congratulate the Prime Minister, the Secretary of State and the Minister of State, and all who took part in the exceptionally protracted negotiations. Although there has been criticism of the length of time that those negotiations took, I do not think that the people who took part in them should be embarrassed. It is in the nature of things that the most difficult issues are left until the last bit of any negotiations, and these negotiations involved dealing with a couple of issues that no one had managed to address before. I think that the people involved deserve to be congratulated, and I think that the rest of us will wish them well in difficult circumstances.

People in Northern Ireland still think of old, unhappy, far-off things, of battles long ago, and even of battles more recently. Everyone in the country must wish those who took part in the negotiations well, and wish the people of Northern Ireland well as a result of the product of those negotiations.

The Prime Minister: My right hon. Friend is well respected in the House, and has taken an interest in these issues throughout the time during which I have known him. When he says that this is the time to move forward and that this is the time not only to reach the agreement but to implement it as quickly as possible, I think most Members will agree that the right thing to do is to bring people together, to move forward and put the past behind us, but to ensure that the devolution of policing and justice is intact so that it is in place in only a few weeks' time.

Mr. Andrew Mackay (Bracknell) (Con): I strongly endorse what the Prime Minister said about the vital importance of a bipartisan approach in the House throughout the peace process. I also join him in hoping that both the SDLP and the UUP will be able to sign up fully to the agreement. May I gently put to him, however, that those two parties felt somewhat marginalised because they were not as involved in the negotiations as many of us thought that they should be? I hope that lessons can be learned both by the Government and by the First and Deputy First Ministers.

The Prime Minister: I am grateful for the right hon. Gentleman's support for the agreement, and also for the support that has come from both the UUP and Sinn Fein. Let me say to him, however, that we held a number of plenary sessions in Hillsborough castle, and invited all the parties to them. I tried to meet all the party leaders individually, not just the First Minister and Deputy First Minister but all the representatives of all the parties. I met representatives of the UUP and the SDLP on a number of occasions to go through the issues that were at stake, and the plenary sessions were an important part of the process.

Of course I understand that the UUP and the SDLP will want to look in detail at what the agreement entails, but I think that the UUP's main concern—which was about the working of the Executive—will be best addressed by a working party of the Executive, chaired by the leader of the UUP alongside the leader of the SDLP. I hope that, having made their offer, the First Minister and Deputy First Minister will receive a positive response from the leadership of the UUP in particular. We received a positive response from the SDLP today, and I hope that a positive response from the UUP will come soon. I believe that the sooner we see Northern Ireland politics resolved to move ahead with this issue, and the sooner the community sees that the parties are able to reach an agreement, the better it will be for the future of Northern Ireland.

Sir Stuart Bell (Middlesbrough) (Lab): It is a long road that we have taken since the Anglo-Irish agreement of 1985—from violence to peace, as the Prime Minister has said—but does not statesmanship bring peace, does not patience bring peace, and does not peace bring prosperity, as anyone who has visited Northern Ireland will know? The Prime Minister has talked of jobs, stability, growth and inward investment. Can we not build on that statesmanship and that patience to enhance the economy of Northern Ireland and bring prosperity to all?

The Prime Minister: I am grateful to my hon. Friend, who is always listened to with care in the House. I think he will acknowledge the huge amount of work done by the Secretary of State and the Minister of State,—and, previously, by my right hon. Friend the Secretary of State for Wales when he was Secretary of State for Northern Ireland—in pushing forward Northern Ireland's economic future.

We know that Northern Ireland is looked to by the rest of the world because of what has been achieved. The statesmanship of those people who came together to reach an agreement is applauded in every part of the world. One of the lessons that Northern Ireland has sent to the world is that if tensions can be reduced and conflict removed, prosperity can result. Northern Ireland has had more jobs and more investment as a result of the decisions that its politicians have made.

Hillary Clinton has offered to meet the parties from Northern Ireland, and she will want to help run and organise an investment conference that will bring more jobs to Northern Ireland. I believe that companies will now look at Northern Ireland and know that, once this agreement is voted through the Northern Ireland Assembly, the future of Northern Ireland will be far more stable and therefore investment will be far more beneficial to them and to Northern Ireland. So this agreement not only brings to an end a long period of conflict about the institutional future of Northern Ireland, but it means that there is the possibility—indeed, the probability—of more jobs coming to Northern Ireland. The economic future of Northern Ireland looks more secure this week than it did last week.

Mr. Nigel Dodds (Belfast, North) (DUP): The whole House welcomes the news on decommissioning by the paramilitary groups mentioned by the Prime Minister. As we are nearing the end of that process, can he say

[Mr. Nigel Dodds]

when and if an inventory of the various decommissioned arsenals will now be published at its conclusion, as was originally agreed? The agreement is in keeping with the manifesto pledges of my party. There are a number of elements to it, including on better delivery by the Executive and on parades, and we expect everybody to act in good faith. We know that the Government are the guarantor of delivery, so will he accept that if there is bad faith—we sincerely hope there is not in relation to delivery—there are means and devices open to us to ensure that there is delivery on the issues of parades and better functioning of the Executive. We cannot have policing and justice on the one hand without delivery of the other elements on the other, and they cannot be sustained one without the other. Those means must be open to us as a party to deliver, just as Sinn Fein has threatened in the past. Along with this, however, we are also certain that people in Northern Ireland want to move ahead. They do not want to go back. They want to build a better future, and we are all absolutely committed to making that happen.

The Prime Minister: I am grateful for the terms in which the hon. Gentleman has expressed his hopes for the way forward for Northern Ireland. It is a way ahead in which there is peace and stability, as well as trust. He is absolutely right that we and the Irish Government are guarantors of this agreement and wish to see it work, and, as he said, that means there must be delivery on all the issues—delivery on issues that are difficult for some parties, but delivery on them as they have promised in this agreement. I repeat to him that the working party that has been set up will look at all the issues that are outstanding from the St. Andrews agreement, and it will be able to report on all these issues so we can see what progress has been made and what progress can, if necessary, be made in the future.

The hon. Gentleman is also absolutely right to record our thanks to the Independent International Commission on Decommissioning. When we consider that it has now overseen decommissioning by the UDA, the UVF, PIRA, the INLA and now the Official IRA, we can see that it is a central means by which we have moved from violence to peace. I not only want to thank the international commission, but to confirm that it will conduct a series of reports, and there will be a report in the end on armaments. That will be the concluding work of the commission.

Mr. Adrian Bailey (West Bromwich, West) (Lab/Co-op): May I join others in congratulating my right hon. Friend the Prime Minister on the success in what must have been an incredibly gruelling process of negotiations? May I also welcome the steps in further decommissioning that have been undertaken by bodies in Northern Ireland? Although I recognise that this devolution process will send a very powerful signal to the remaining violent dissidents in Northern Ireland, what assessment has he made in practical terms of the new arrangements in dealing with those who might still wish to pursue the course of violence?

The Prime Minister: We will never be complacent. We will continue to monitor and pursue those dissident groups that hold to a policy of violence in Northern Ireland. We know that they are a real threat, which is why we have stepped up the resources available to the security services and, as part of the financial agreement, we have made sure that the Executive ministry responsible for justice and policing is properly resourced. So we will do everything we can to take on this terrorist threat. It is important to recognise, however, that in one day the INLA, the Official IRA and the last loyalist organisation, the South-East Antrim UDA, have completed their decommissioning, and that is a move from violence to peace that those in all parts of the House will want to commend. So I remain optimistic that those people who support the political process—who are strengthened by the agreement that has been made in the past few days—will always defeat those people who wish violence to replace politics in Northern Ireland.

Christopher Fraser (South-West Norfolk) (Con): As chairman of the all-party group on Northern Ireland, may I also commend my right hon. Friend the Leader of the Opposition for his support for the process of the devolution of policing and justice? I am sure that the Prime Minister agrees with me that continuity of effort and engagement in the process by all political parties will be essential in the highly charged timetable and atmosphere before a general election. Can he confirm that all-party briefings will continue should this Parliament be dissolved during what will be a crucial time for the people of Northern Ireland?

The Prime Minister: I think the hon. Gentleman wants me to comment on something on which I shall not comment. The one issue I shall comment on is the all-party briefings that have been given, particularly by the Secretary of State for Northern Ireland to his opposite numbers, which will continue. We will keep people in touch with developments. The outstanding issue that we really must address is our wish to build all-party support in Northern Ireland for this agreement; it is important to recognise that it was an agreement of two parties—it is not an agreement between the Governments—and it will work only, as the First Minister said, if we can secure wider support before the cross-community vote that will take place in Northern Ireland on 9 March. I hope that the hon. Gentleman can use his good offices to persuade any of the parties still looking at this issue and wondering about the right way for them to address the future that it is worth their being unequivocal in their support for moving this process forward and using the working party process to deal with the issues that they have raised.

Michael Connarty (Linlithgow and East Falkirk) (Lab): May I add my congratulations to the Prime Minister and to all the individuals and parties who took part in this very important agreement on justice and policing? May I speak on behalf of some of the people who perhaps were not there except in spirit and who cannot move forward quite as easily as the parties would seem to be able to do? Such people include those whose relatives and family—including my own—were killed in the McGurk's bar bombing. The people who did it are known to the person who was found guilty of being part of the group, but their names have never been given. Many families wonder where their loved ones are buried but that has never been revealed. Does the Prime Minister assess this move as bringing forward the possibility

that these things will be laid to rest and that people in the innocent community of Northern Ireland will genuinely be able to move forward?

The Prime Minister: There is a need to deal with the issues that arise from the past—of course, the Eames commission has looked at this—but we also know that we must move forward. I appreciate that feelings are still very raw in many communities as a result of what has happened over these past decades, but I hope that having dealt with some of the issues of reconciliation as we have done through the commission that sat to consider this matter, we can now also agree that we must move forward to build that better future.

Dr. Julian Lewis (New Forest, East) (Con): When responding to my right hon. Friend the Member for Witney (Mr. Cameron), the Prime Minister explained that issues outside the formal text of the agreement will be dealt with by a special working party, but I did not hear him tell the House what these issues are. Will he take this opportunity to do so?

The Prime Minister: They are all the outstanding issues on the St. Andrews agreement that are within the scope of the working party.

Lembit Öpik (Montgomeryshire) (LD): Having been involved in Northern Ireland matters for many years, may I express my relief and my congratulations to all those concerned on an achievement of which all parties, this Government, this Prime Minister and his predecessor, Tony Blair, can be truly proud? Could this case study in conflict resolution at home offer lessons for negotiated solutions to apparently intractable conflicts abroad?

The Prime Minister: I think the important thing is for us to move to 9 March and then to 12 April and show that the process that has been engaged in so determinedly by the political parties in Northern Ireland has definitively worked. We still have to get some people on board to make that happen. I agree with the hon. Gentleman that all around the world people admire what has been achieved in Northern Ireland; it has been the subject of not only Nobel peace prizes, but much examination by people who are in conflict zones. I think that one of the lessons is that if the tension and the conflict can be reduced, people can be shown the benefits of peace and therefore the benefits of not moving back to a position where conflict is endemic in their society. I think that Northern Ireland can show not only the courage of politicians who have reached difficult decisions to get to peace but the benefits that have come from that peace process. Belfast and much of Northern Ireland have been transformed economically as a result of the decisions that have been made and people's willingness to invest in Northern Ireland for that better future.

Mr. Andrew Pelling (Croydon, Central) (Ind): The Prime Minister, in his statement, emphasised the importance of American investment for the prosperity of Northern Ireland. Is there also an important role for investment flows within the United Kingdom? One way to do that might be to try to get higher interest in Northern Ireland among the English media. What can the Government and the Northern Ireland Government do to encourage that?

The Prime Minister: The interest in Northern Ireland will cease to be based on long-standing conflicts and on the issues that are not yet resolved after the agreements that we have seen reached there. It will be based on how Northern Ireland is moving forward and on the talent, genius and potential of the Northern Ireland people, their ability to innovate, their strong universities, the education system, which is improving, and the innovative work of many businesses, some of which receive inward investment but some of which are generated by Northern Ireland talent on its own. The focus in Northern Ireland in future will be on the economic choices and social improvements that are made in that country. When people look at Northern Ireland today, they see a Northern Ireland that is different from a few years ago. In a few years' time, if the whole focus of the Assembly is on jobs, health, welfare, the environment, tourism and all those issues, that will be how people will wish to look at Northern Ireland—it is a beautiful country with great people, who have come together and confronted and surmounted difficult times.

Bob Spink (Castle Point) (Ind): I congratulate the Prime Minister and the First Minister on their personal work at Hillsborough. How will the Prime Minister ensure the total independence of the Chief Constable in order to retain community support?

The Prime Minister: The Chief Constable is operationally independent and reports to the Policing Board. That is how we secure the independence of the Chief Constable. I must say that, from my discussions in Northern Ireland, I think that people are satisfied that the Chief Constable has those powers, assumes those responsibilities and is able to act with operational independence. I believe that he and his predecessor are respected for the way in which they are independent of the political process.

Point of Order

4.27 pm

Bob Spink (Castle Point) (Ind): On a point of order, Madam Deputy Speaker. The right hon. Member for Witney (Mr. Cameron) is seeking to visit my constituency and he has not informed me. He sought the use of a public building, my excellent SEEVIC college, for political campaigning. Might a word from you, Madam Deputy Speaker, help him to act more appropriately? Do I smell further Tory panic?

Madam Deputy Speaker (Sylvia Heal): I am sure that all right hon. and hon. Members in this House are aware of the courtesies when visiting other Members' constituencies. The hon. Gentleman's comments are on the record and will no doubt have been noted.

Terrorist Asset-Freezing (Temporary Provisions) Bill (Allocation of Time)

4.28 pm

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): I beg to move,

That the following provisions shall apply to the Terrorist Asset-Freezing (Temporary Provisions) Bill:

Timetable

1.–(1) Proceedings on Second Reading, in Committee, on consideration and on Third Reading shall be completed at today's sitting in accordance with the following provisions of this paragraph.

(2) Proceedings on Second Reading shall (so far as not previously concluded) be brought to a conclusion four hours after the commencement of proceedings on the Motion for this Order or at 8 pm (whichever is the earlier).

(3) Proceedings in Committee, on consideration and on Third Reading shall (so far as not previously concluded) be brought to a conclusion at 10 pm.

Timing of proceedings and Questions to be put

2. When the Bill has been read a second time—

(a) it shall (Notwithstanding Standing Order No. 63 (Committal of bills not subject to a programme order)) stand committed to a Committee of the whole House without any Question being put;

(b) the Speaker shall leave the Chair whether or not notice of an Instruction has been given.

3.–(1) On the conclusion of proceedings in Committee, the Chairman shall report the Bill to the House without putting any Question.

(2) If the Bill is reported with amendments, the House shall proceed to consider the Bill as amended without any Question being put.

4. For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1, the Chairman or Speaker shall forthwith put the following Questions (but no others)—

(a) any Question already proposed from the Chair;

(b) any Question necessary to bring to a decision a Question so proposed;

(c) the Question on any amendment moved or Motion made by a Minister of the Crown;

(d) any other Question necessary for the disposal of the business to be concluded.

5. On a Motion so made for a new Clause or a new Schedule, the Chairman or Speaker shall put only the Question that the Clause or Schedule be added to the Bill.

6. If two or more Questions would fall to be put under paragraph 4(d) in relation to successive provisions of the Bill, the Chairman shall instead put a single question in relation to those provisions.

Consideration of Lords Amendments

7.–(1) Any Lords Amendments to the Bill shall be considered forthwith without any Question being put.

(2) Proceedings on consideration of Lords Amendments shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

8.–(1) This paragraph applies for the purpose of bringing any proceedings to a conclusion in accordance with paragraph 7.

(2) The Speaker shall first put forthwith any Question already proposed from the Chair.

(3) If that Question is for the amendment of a Lords Amendment the Speaker shall then put forthwith—

(a) a single Question on any further Amendments to the Lords Amendment moved by a Minister of the Crown, and

(b) the Question on any Motion made by a Minister of the Crown that this House agrees or disagrees to the Lords Amendment or (as the case may be) to the Lords Amendment as amended.

(4) The Speaker shall then put forthwith—

(a) a single Question on any Amendments moved by a Minister of the Crown to a Lords Amendment, and

(b) the Question on any Motion made by a Minister of the Crown that this House agrees or disagrees to the Lords Amendment or (as the case may be) to the Lords Amendment as amended.

(5) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown that this House disagrees to a Lords Amendment.

(6) The Speaker shall then put forthwith the Question that this House agrees to all the remaining Lords Amendments.

(7) As soon as the House has—

(a) agreed or disagreed to a Lords Amendment, or

(b) disposed of an Amendment relevant to a Lords Amendment which has been disagreed to,

the Speaker shall put forthwith a single Question on any Amendments moved by a Minister of the Crown and relevant to the Lords Amendment.

Subsequent stages

9.–(1) Any further Message from the Lords on the Bill shall be considered forthwith without any Question being put.

(2) Proceedings on any further Message from the Lords shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

10.–(1) This paragraph applies for the purpose of bringing any proceedings to a conclusion in accordance with paragraph 9.

(2) The Speaker shall first put forthwith any Question which has been proposed from the Chair.

(3) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown which is related to the Question already proposed from the Chair.

(4) The Speaker shall then put forthwith the Question on any Motion made by a Minister of the Crown on or relevant to any of the remaining items in the Lords Message.

(5) The Speaker shall then put forthwith the Question that this House agrees with the Lords in all the remaining Lords Proposals.

Reasons Committee

11.–(1) The Speaker shall put forthwith the Question on any Motion made by a Minister of the Crown for the appointment, nomination and quorum of a Committee to draw up Reasons and the appointment of its Chairman.

(2) A Committee appointed to draw up Reasons shall report before the conclusion of the sitting at which it is appointed.

(3) Proceedings in the Committee shall (so far as not previously concluded) be brought to a conclusion 30 minutes after their commencement.

(4) For the purpose of bringing any proceedings to a conclusion in accordance with sub paragraph (3), the Chairman shall—

(a) first put forthwith any Question which has been proposed from the Chair, and

(b) then put forthwith successively Questions on motions which may be made by a Minister of the Crown for assigning a Reason for disagreeing with the Lords in any of their Amendments.

(5) The proceedings of the Committee shall be reported without any further Question being put.

Miscellaneous

12. Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply so far as necessary for the purposes of this Order.

13.–(1) The proceedings on any Motion made by a Minister of the Crown for varying or supplementing the provisions of this Order shall (so far as not previously concluded) be brought to a conclusion one hour after their commencement.

(2) Paragraph (1) of Standing Order No. 15 (Exempted business) shall apply to those proceedings.

14. Standing Order No. 82 (Business Committee) shall not apply in relation to any proceedings to which this Order applies.

15.–(1) No Motion shall be made, except by a Minister of the Crown, to alter the order in which any proceedings on the Bill are taken or to recommit the Bill.

(2) The Question on any such Motion shall be put forthwith.

16.–(1) No dilatory Motion shall be made in relation to proceedings to which this Order applies except by a Minister of the Crown.

(2) The Question on any such Motion shall be put forthwith.

17. The Speaker may not arrange for a debate to be held in accordance with Standing Order No. 24 (Emergency debates)—

(a) at today's sitting, or

(b) at any sitting at which Lords Amendments to the Bill are, or any further Message from the Lords is, to be considered, before the conclusion of any proceedings to which this Order applies.

18.–(1) Sub-paragraph (2) applies if the House is adjourned, or the sitting is suspended, before the conclusion of any proceedings to which this Order applies.

(2) No notice shall be required of a Motion made at the next sitting by a Minister of the Crown for varying or supplementing the provisions of this Order.

19. Proceedings to which this Order applies shall not be interrupted under any Standing Order relating to the sittings of the House.

20. The Speaker shall not adjourn the House at the sitting on the day on which the Bill is sent back to the House from the Lords until—

(a) any Message from the Lords on the Bill has been received;

(b) he has reported the Royal Assent to any Act agreed upon by both Houses.

As set out in my written ministerial statement of 5 February, the Terrorist Asset-Freezing (Temporary Provisions) Bill is being introduced as an urgent temporary measure to prevent assets from being unfrozen and returned to terror suspects as a result of the Supreme Court's decision to quash the 2006 terrorism order without a stay. That decision had effect from 4 February.

The Government have had urgent discussions with the relevant banks following the Supreme Court's decision not to grant a stay and those banks have confirmed that in the light of the Government's decision to bring forward immediate legislation providing retrospective legal authority for them to continue existing freezes, no funds will be unfrozen as a result of the Supreme Court's judgment.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): I am grateful to the hon. Lady for giving way, but will she be good enough to tell us why, given the reports of the Newton Committee in 2001 and the Joint Committee in 2004, as well as the facts that the relevant litigation started in 2008, was in the Court of Appeal in October 2008 and came before the Supreme Court in October 2009, primary legislation was not put before the House long ago that could have been the subject of proper consultation and debate?

Sarah McCarthy-Fry: We believe that we had strong grounds in law for introducing the secondary legislation under the United Nations Act 1946—and I should point out that the Court of Appeal agreed with us—so the matter is by no means clear-cut.

National security and public protection are priorities for the Government. We aim to ensure that there is no gap in the asset-freezing regime, that suspected terrorist funds cannot be diverted and used for terrorist purposes and that suspected terrorists do not get free access to the UK's financial system. That is why we are moving

[Sarah McCarthy-Fry]

this motion to ensure that there is rapid discussion of the Bill today, and I am sure that hon. Members will contribute to that debate. We consider it necessary for the UK's national security to act swiftly to restore asset freezing on a temporary basis under primary legislation.

Mr. Neil Gerrard (Walthamstow) (Lab): My hon. Friend says that the banks have agreed to continue to freeze assets pending the passage of emergency legislation, so on what legal basis will they be freezing assets in that period?

Sarah McCarthy-Fry: I take on board my hon. Friend's point, but I remind him that we are debating a motion to set out the time in which we will discuss the Bill. It would be better to discuss the issue that he raises when we get to Second Reading, or Committee, if the motion is agreed to.

Lembit Öpik (Montgomeryshire) (LD): I shall leave the detailed discussion of the Bill's content to my more expert colleagues. I am concerned about the frequency with which we seem to be allocating time to expediting legislation on an emergency basis. Why do the Government increasingly feel that they have to rush things through? We have had a long time to discuss this issue, as the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) has pointed out, but the Bill seems to have been jammed right up towards the end of the Session.

Sarah McCarthy-Fry: Again, I take on board the hon. Gentleman's point, but, obviously, we are not in control of the Supreme Court's timetable. If we are to debate the issue of proper scrutiny and the length of time given to the Bill, it would be better to get the motion passed so that we can get on with discussions about whether this is the right way of proceeding. The measure is a temporary one that would be used while we introduce permanent measures, with time for Parliament fully to scrutinise our proposals.

4.32 pm

Mr. Mark Hoban (Fareham) (Con): Let me be clear from the outset: we shall not oppose the programme motion because the time spent doing so would eat into the time allowed for proper debate of the Bill, but the Minister must accept that the Bill is being rushed through today because the Government have failed to put in place a proper timetable in which proper primary legislation could be produced. My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) rightly said that the Government have had plenty of notice regarding this matter: there have been repeated warnings to them about the basis on which the terrorist orders were being issued. Rather than rush through measures this afternoon, the Government could have acted earlier to ensure that there was a proper basis on which to make the orders.

We recognise, however, that the judgment that the Supreme Court issued on Thursday quashing the orders means that terrorists could have access to financial resources and the financial system, and that it is therefore vital that the Bill should complete its Commons stages today and receive Royal Assent as soon as possible. If the Bill is not enacted, terrorist suspects could have access to finances and could use them to facilitate terrorist acts. I think that we all agree that it would be better if we were not in this situation now and if the Government had read the warning signals clearly and introduced primary legislation sooner so that they would not be reduced to rushing through emergency measures today.

4.34 pm

Keith Vaz (Leicester, East) (Lab): I shall be brief and support the Minister in what she is trying to do. It is vital that the matter comes before the House, as it has done, as soon after the Supreme Court judgment as possible. Clearly, it could have been brought before the House on Friday, but it is much better that it should be before the House today in order to allow for proper scrutiny.

The motion deals solely with the allocation of time. If we deal with it quickly, all the proper points that have been raised by the hon. Member for Fareham (Mr. Hoban) and others as to why we are in this position can be addressed during the substantive debate. Of course we would like to know why this happened and why Parliament did not have an opportunity to vote on it previously, but I hope that we can make quick progress on the motion and have a proper debate on the substance.

4.35 pm

Mr. David Heath (Somerton and Frome) (LD): I wish that that argument were more persuasive, and that there was an opportunity during the substantive debate to cover these matters. However, the accelerated procedure is predicated entirely upon the lack of opportunity to deal with these matters earlier, and we must ask the Government why that is the case. I am deeply unhappy with the accelerated procedure unless there are very strong reasons for it.

No one wants criminal terrorists to be able to use money to support terrorist operations, so it is a seductive argument to suggest that we must push the Bill through, whatever its merits, in the shortest possible time in order to fill the lacuna. But the lacuna is of the Government's making, and that is what they need to recognise.

Keith Vaz: I am not disputing for one moment that we should scrutinise the Government and question them about why they have reached this position, but we had better get on with agreeing the motion so that we can spend appropriate time on the Bill. If the hon. Gentleman believes that the Bill must be passed today, he must accept that today will end at midnight, unless the Liberal Democrats have a way of extending it beyond midnight, so the quicker we get on to discussing the motion, the better.

Mr. Heath: The right hon. Gentleman, who has been in the House many years, knows that parliamentary procedure allows us to extend a day indeterminately, if we so choose. Such is the Alice in Wonderland world in which we live. I do not propose to do so, but the Minister must respond to the fact that, as has been pointed out by the right hon. and learned Member for

Sleaford and North Hykeham (Mr. Hogg), that there have been a number of occasions when the procedures that underlie the Bill have been thrown into question, when the Government had the opportunity to act and chose not to. They chose not to act in the context of what they claim is an urgent requirement to have the legislation in place. I should have thought that a prudent Government who felt that that was the case would have introduced primary legislation at an earlier stage, as a belt-and-braces measure. They would not have waited for the Supreme Court to deliver its judgment. They would have put in place a properly debated, properly considered Bill in order to put the matter beyond doubt, and they have not done so.

The fast-track legislation justification in the explanatory notes is the key to the allocation of time motion. Under our procedures now, the Government are required to give answers to various questions about why we should accept the proposition. In response to the question,

"What efforts have been made to ensure the amount of time made available for Parliamentary scrutiny has been maximised?",

the Government simply say that this is the first opportunity since the quashing of the 2006 order. As we have heard, it was possible to address the issue before the Supreme Court made that judgment, but they chose not to do so.

In response to the question,

"To what extent have interested parties and outside groups been given an opportunity to influence the policy proposal?"

the Government state:

"In light of the pressing need to put in place primary legislation . . . the Treasury have not had an opportunity to consult external stakeholders specifically about the Bill."

What an extraordinary thing not to have done if they knew that there was a possibility of having to introduce legislation.

A further justification is offered. In answer to the question,

"Has an assessment been made as to whether existing legislation is sufficient to deal with any or all of the issues in question?"

the Government state:

"No existing legislation is in place which would have the effect of saving temporarily the UN Terrorism Orders, or providing comparable powers to make asset freezes."

I accept the first part of that contention—that there is nothing precisely based on the UN terrorism orders; but on the statute book there are certainly comparable powers to make asset freezes, because over the past few years the Government have inundated us with Acts that deal with precisely that problem. There is the Terrorism Act 2000, and the Anti-Terrorism, Crime and Security Act 2001, part 2 of which deals specifically with the making of freezing orders.

The Government's case is undermined irrevocably by one Supreme Court judge, Lord Hope, who, in the judgment of Ahmed against the Government, said:

"Detailed provision is made in Schedule 3 for the content of freezing orders, including a system for the granting of licences authorising funds to be made available. Orders made under the Act are subject to the affirmative resolution procedure…and they cease to have effect after two years… To a large degree, the power to make freezing orders under this Act enables the Treasury to do what paras 1(d) and 2(d) of SCR 1373(2001) require. But it is more precisely worded, and it contains various safeguards."

That is what the Treasury do not like—the fact that existing legislation contains the safeguards that Parliament felt appropriate. The Treasury therefore chooses not to use that—

Madam Deputy Speaker (Sylvia Heal): Order. Could I remind the hon. Gentleman that we are talking about the allocation of time? I am sure that there will be an opportunity for him to develop those arguments later.

Mr. Heath: But, Madam Deputy Speaker, my point is precisely about the allocation of time, because it is precisely about the justification for the fast-track procedure that is stated quite clearly in the explanatory memorandum. The case for the fast-track procedure is that no other legislation is in place, yet Lord Hope in the Supreme Court makes it abundantly clear that other legislation is in place. He says:

"Yet the Treasury have, it seems, chosen not to make use of the powers given to them by this Act, preferring to use the general power under section 1 of the 1946 Act."

He goes on to say:

"In my opinion the rule of law requires that the actions of the Treasury in this context be subjected to judicial scrutiny."

That is a powerful judgment that fatally undermines the Government's case that no other legislation will enable them to safeguard the national interest. They simply choose not to use what is already in place.

Lembit Öpik: Is my hon. Friend effectively saying that, when faced with the inconvenience of checks and balances on human rights, this Government prefer to declare an emergency, have a debate and try to sweep them away—in rather the same way that they had three goes at banning Brian Haw, who still happens to live in Parliament square?

Mr. Heath: My hon. Friend is absolutely right; he has got it in one. That is why the allocation of time motion is before us today. There is one abhorrent point in it, incidentally. Given the difficulties inherent in such legislation, and the Supreme Court's judgment, I find it extraordinary that, if another place makes suggestions to us about how the legislation might be improved, all those amendments will be dealt with in one hour by this House. These matters strike at the fundamental liberties of citizens: by Executive decision, their assets can be frozen on the basis of suspicion. This House would not be doing its job properly if it were to accept that.

At the end of the day, the legislation is before us because the Government have been found to be acting ultra vires and failing to secure proper parliamentary approval. Other Commonwealth jurisdictions have had no problem in that respect: the Australian and New Zealand Governments had no problem in going back to their Parliaments and asking for their approval properly. However, the arrogance of this Government and, in particular, the Treasury means that they do not understand what Parliament is for, and they do not understand the proper scrutiny of Bills. That is why the motion is before us today, and I invite my right hon. and hon. colleagues to vote against it.

4.44 pm

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): I, too, rise to express my considerable anxiety at what we are doing.

[Mr. Douglas Hogg]

First, I accept that we will have to enact the Bill today. Leaving aside the fact that the Government have a majority, the truth is that the Bill has to go through because we are where we are, but the Government's conduct in this matter is wholly lamentable, and within the rules of order I wish to spell out why. First, the timetable provides for very brief discussion. All stages of this Bill have to be finished by 10 o'clock tonight. The hon. Member for Somerton and Frome (Mr. Heath) made a good point about the Lords amendments as they are provided for in the timetable motion. Given that the Bill was published at the end of last week, those in the other place will have a little more time to reflect on what has happened, and I have no doubt that they will come forward with amendments. However, this House will be given only one hour to consider those amendments. That is wholly lamentable.

Lembit Öpik: Does it strike the right hon. and learned Gentleman as ironic that the Government want to rush this through in such a way that they could build in further failings in the legislation, which could be prevented if we had proper scrutiny? Once again, they are legislating in haste and allowing themselves the risk of repenting at leisure.

Mr. Hogg: Yes, I agree with that. Nor is it necessary, because the provisions of the Bill—I will not expand on those at the moment, Madam Deputy Speaker—enable previous Acts to be validated and declared legal, so we could take a more leisurely approach in the knowledge that if the banks refused to transfer money, they would be protected by the language of the statute that we will pass in due course.

The truth is that this House has had almost negligible time for consideration. The Bill was published on 5 February. It puts into primary legislation the language of the statutory instrument that attracted such serious criticism in the Supreme Court. Lord Hope said, in terms, that it was an affront to democracy—that it struck at the heart of democracy—and this House is being asked to echo those provisions by the end of today's business. That is a scandal. It is no surprise, either, that Lord Hope should have been so concerned, because the freezing provisions in the 2006 order are very wide in their impact. Furthermore, the designation procedures whereby individuals are designated as persons caught by the provisions are not subject to any proper review. Anybody who supposes that judicial review is a proper remedy in this class of case is making a very serious mistake. Speaking of mistakes, the penalty for infringing the offences in the legislation that we will pass in three hours or so is seven years' imprisonment, which is a very serious tariff.

One of the problems inherent in the timetable motion is the fact that right hon. and hon. Members have not had a chance to consider amendments. The Bill was published on 5 February—last Friday—and today is Monday. Sensible people do not set about drafting amendments until they have had an opportunity to consult. There can have been no consultations; it is therefore not surprising that there are so few amendments. What is more, none of the amendments deals with the central issue—whether there should be a proper judicial review or appeal process as to the scope of freezing orders or as to designation. That is not because such amendments are not required or justified in law—clearly, the Supreme Court was looking for precisely that class of amendment—but rather because this thing has been so rushed that right hon. and hon. Members have not had an opportunity to formulate them. That shows how dangerous this timetable motion is.

The Minister said, "Well, of course, until the last moment we were confident of winning in another place." That is a lamentable approach to the matter. First, the issues were very grave and required primary legislation. Secondly, as I said in my intervention on the Minister—if she would be good enough to listen—Lord Newton of Braintree, who has had huge ministerial and other experience in this place and elsewhere, headed a committee that said, in terms, that legislation of this class should be primary legislation. That view was repeated in 2004 by the Joint Committee on Human Rights. Let nobody say that the Government have been caught by surprise. They have known for a long time.

Furthermore, the litigation that gave rise to the Supreme Court judgment began in 2008, entered the Court of Appeal in October 2008 and reached the Supreme Court in October 2009. There was ample time to introduce primary legislation, or at least draft proposals, that could be consulted on among those with an interest in the matter. That was all the more necessary and important because the principal legislation involved is secondary legislation that never went through the parliamentary process. The measures had no Committee stage, Second Reading or Report, yet they will enable the Treasury on "reasonable suspicion" to designate a person, leaving them unable to deal with their financial affairs.

That is lamentable. The timetable motion will pass, I know, and the Bill will pass into the other place. In view of the timetable motion, I suspect that it will be largely unchanged when it returns. True, it has a sunset clause, but that expires at the end of this year, so for nearly 12 months, potentially unjust legislation will be on the statute book. That is the fault of this Government—arrogant, uncaring, undemocratic and smug. Happily, the general election is coming soon.

4.51 pm

Sarah McCarthy-Fry: I have listened with interest to hon. Members' contributions on the motion. The main thrust of the arguments can be made on Second Reading and during debate on the clauses; I just want to put a couple of points on the record.

Our terrorist freezing Orders in Council were made in good faith. The Court of Appeal agreed with the Government on the matter in October 2008. I point out that one of the Supreme Court judges, Lord Brown, in the minority, considered that the United Nations Act 1946 gave the Treasury wide enough powers to draft the Al-Qaida and Taliban (United Nations Measures) Order 2006 as it did.

I emphasise that the Bill will establish a temporary measure. We have published a longer Bill intended to undergo proper scrutiny; I am sure that one of the arguments that we will have this evening involves how much time people consider is enough for proper scrutiny.

I hesitate to contradict the hon. Member for Somerton and Frome (Mr. Heath), who speaks for the Liberal Democrats, but the powers under the Anti-terrorism,

Crime and Security Act 2001 are not comparable. They can be used only against threats emanating from outside the UK, not domestic threats such as UK-based terrorists. With that, I hope that I can persuade him not to oppose the motion, which I commend to the House.

Question put.

The House proceeded to a Division.

Madam Deputy Speaker: I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 376, Noes 56.

Division No. 72] **[4.53 pm**

AYES

Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Amess, Mr. David
Ancram, rh Mr. Michael
Anderson, Mr. David
Arbuthnot, rh Mr. James
Armstrong, rh Hilary
Atkinson, Mr. Peter
Austin, John
Bacon, Mr. Richard
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Barker, Gregory
Barlow, Ms Celia
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bell, Sir Stuart
Bellingham, Mr. Henry
Benn, rh Hilary
Benyon, Mr. Richard
Beresford, Sir Paul
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browning, Angela
Bryant, Chris
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clark, Greg
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Cormack, Sir Patrick
Cousins, Jim
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Curry, rh Mr. David
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davies, Mr. Quentin
Davis, rh David
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Dobson, rh Frank
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Eagle, Angela
Eagle, Maria
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Evans, Mr. Nigel
Fabricant, Michael
Farrelly, Paul
Field, rh Mr. Frank
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Fox, Dr. Liam
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
George, rh Mr. Bruce
Gibb, Mr. Nick
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Goodman, Mr. Paul
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Griffith, Nia
Gummer, rh Mr. John
Hague, rh Mr. William
Hain, rh Mr. Peter
Hamilton, Mr. David
Hammond, Mr. Philip
Hammond, Stephen
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Havard, Mr. Dai
Hayes, Mr. John
Heald, Mr. Oliver
Healey, rh John
Heathcoat-Amory, rh Mr. David
Henderson, Mr. Doug
Hendry, Charles
Hepburn, Mr. Stephen
Herbert, Nick
Hill, rh Keith
Hillier, Meg
Hoban, Mr. Mark
Hodge, rh Margaret
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howarth, Mr. Gerald
Howell, John
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Glenda
James, Mrs. Siân C.
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, rh Alan
Jones, Helen
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kidney, Mr. David
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lait, Mrs. Jacqui
Lammy, rh Mr. David
Lansley, Mr. Andrew
Laxton, Mr. Bob
Lazarowicz, Mark
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Levitt, Tom
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Maples, Mr. John
Marsden, Mr. Gordon
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Merron, Gillian

Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Neill, Robert
Norris, Dan
O'Brien, Mr. Stephen
Oiner, Mr. Bill
Osborne, Mr. George
Owen, Albert
Pearson, Ian
Penning, Mike
Penrose, John
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prisk, Mr. Mark
Pritchard, Mark
Prosser, Gwyn
Purnell, rh James
Randall, Mr. John
Raynsford, rh Mr. Nick
Redwood, rh Mr. John
Reed, Mr. Andy
Reid, rh John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Rosindell, Andrew
Roy, Lindsay
Ruddock, Joan
Ryan, rh Joan
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Simpson, Mr. Keith
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Chloe
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soames, Mr. Nicholas
Southworth, Helen
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Starkey, Dr. Phyllis
Stewart, Ian
Streeter, Mr. Gary
Stuart, Mr. Graham
Syms, Mr. Robert
Tami, Mark
Tapsell, Sir Peter
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Timpson, Mr. Edward
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Tyrie, Mr. Andrew
Ussher, Kitty
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Vaz, rh Keith
Walker, Mr. Charles
Waltho, Lynda
Waterson, Mr. Nigel
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Frank Roy and Mrs. Sharon Hodgson

NOES

Alexander, Danny
Baker, Norman
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Davey, Mr. Edward
Farron, Tim
Foster, Mr. Don
George, Andrew
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Hemming, John
Holmes, Paul
Horwood, Martin
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
McDonnell, John
Mulholland, Greg
Oaten, Mr. Mark
Öpik, Lembit
Pelling, Mr. Andrew
Price, Adam
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Spink, Bob
Stunell, Andrew
Swinson, Jo
Webb, Steve
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wyatt, Derek

Tellers for the Noes:
Sir Robert Smith and Dan Rogerson

Question accordingly agreed to.

Terrorist Asset-Freezing (Temporary Provisions) Bill

Second Reading

5.9 pm

The Chief Secretary to the Treasury (Mr. Liam Byrne): I beg to move, That the Bill be now read a Second time.

The whole House would wish that today's provisions were not required, yet we are realists, and we know that the real world demands action of the kind proposed in the Bill. Terrorism continues to pose a threat to the United Kingdom. Indeed, the Home Secretary recently apprised the House of the fact that the terrorist threat is now judged as severe—in other words, highly likely at any time.

As hon. Members know, terrorist organisations, including al-Qaeda, have executed or planned a succession of attacks with the aim of causing mass casualties. Many of our constituents have been affected or caught up or murdered. Yet the economics of that threat are frighteningly simple. The cost of a terrorist attack is low, yet its impact is devastating. The attacks on London on 7 July 2005, for example, cost the perpetrators just £8,000, yet the price paid by the British people was immeasurably greater.

For that reason, we seek to fight back with every appropriate weapon, which must include control of finance, assets and cash. Without resources, terror networks are unable to plan, organise or execute attacks, for which reason the United Nations requires that all states:

"Freeze without delay...assets"

and

"resources of persons who commit, or attempt to commit, terrorist acts or participate in or facilitate the commission of terrorist acts".

Our tools therefore must include action against terrorist finance, which is now an important part of the UK's counter-terrorism strategy.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con) *rose—*

Mr. Byrne: Before I give way to the right hon. and learned Gentleman, I should make clear that my remarks this afternoon will touch on the background to the Bill, its contents, and some of the safeguards that it is vital for the House and another place to debate.

Mr. Hogg: That is very important and we look forward to hearing what safeguards will be put in place. However, it would be helpful to know why, having had ample time, the Government have never before put the provisions into primary legislation, and have relied always on statutory instruments, which were not subject to proper scrutiny.

Mr. Byrne: That is a fair point, and I will talk about it later in my remarks. Suffice it to say, the United Nations Act 1946 was fairly clear, and it is probably worth reading the relevant clause for the benefit of the House:

"If...the Security Council of the United Nations call upon His Majesty's Government in the United Kingdom to apply any measures to give effect to any decision of that Council, His Majesty may by Order in Council make such provision as appears to Him necessary or expedient for enabling those measures to be effectively applied, including...provision for the apprehension, trial and punishment of persons offending against the Order."

In the eyes of the Government, that was an effective legal base on which to introduce terrorism legislation.

Mr. John Gummer (Suffolk, Coastal) (Con): I am happy that the Government felt that that was the effective legal base. The issue that many of us want to raise is this: if such matters are not debated in Parliament, the disadvantage is that the necessary safeguards are often not put in place. The problem—on both sides of the House—is that the Government seem not to believe that Parliament is the proper place for such decisions.

Mr. Byrne: Parliament is the proper place to debate those safeguards. That is why, alongside this temporary Bill, we published a full Bill that will transpose the relevant orders into statutory legislation. We will debate that question a little later, but it is vital that the House is given a full opportunity to pressure-test the proposals in that second, main Bill.

Mr. Humfrey Malins (Woking) (Con): As we know, the measures are fairly draconian, but what does the Minister think was the original intention? Was the standard that the Government would have only to say that a person was involved in terrorism, or would they have needed a reasonable suspicion or evidence? What was the standard or test originally and what is it today? Could it be that the original test required something higher?

Mr. Byrne: Perhaps the hon. Gentleman will intervene again to clarify one point. When he refers to the "original test", is he referring to the original test in Orders in Council or in the United Nations Act 1946?

Mr. Malins: I might be wrong, but I think I am referring to the original test not in Orders in Council but in the 1946 Act.

Mr. Byrne: The 1946 Act did not set out any such test; rather, it set out a broad power for the Government to introduce measures, including those for

"the apprehension, trial and punishment of persons offending against the Order."

That was the legal basis that was tested by the Supreme Court. The Supreme Court's judgment in taking away the foundation on which the Government had rested was reasonably narrow. The Supreme Court refused to read "expedient" as wide enough to cover reasonable suspicion—that is perhaps the point that the hon. Gentleman was making. Rather, it concluded that it would be wrong to give "expedient" such an expansive meaning where the result is such an interference with individuals' rights.

David Howarth (Cambridge) (LD): That is the crucial point. The Court made its decision because the order undermines fundamental rights. The Court was making the point that the Government should not undermine fundamental rights, and especially not without any parliamentary procedure. The right hon. Gentleman seems to be rearguing his case before the Supreme Court. He does not seem to accept the fact that he lost the case.

Mr. Byrne: The reason why I am here this afternoon is that we lost the case. The point that I was hoping to make is that under the terms of the United Nations Act 1946, which I have read out, it is quite easy to see how the Government proceeded in good faith, because that Act appeared to give quite generous provision for the Government to bring forward proposals giving effect to UN Security Council resolutions.

Mr. Neil Gerrard (Walthamstow) (Lab): The real issue is not so much the 1946 Act, but Security Council resolution 1373, the terms of which the Supreme Court referred to in determining that the orders should be quashed. The Court talked about reasonable suspicion and whether it was a basis for taking action.

Mr. Byrne: I will address that point slightly later, because it touches on the issue of designation, on which it is important to debate the test that the Government must meet. Just to clarify, the Supreme Court struck down the legal basis for the Terrorism (United Nations Measures) Order 2006. However, two further terrorism orders depend on the same provision in the 1946 Act, which is why they are the subject of the legislation before us today. There is a fourth order—the Al-Qaida and Taliban (United Nations Measures) Order 2006—of which the Supreme Court struck down article 3(1)(b), which concerns United Nations Security Council resolution 1267, and I will touch on that in more depth in a moment or two.

The history of our fight on this front is not long. The asset-freezing regime introduced by the Security Council dates back only to 1999, when it was established as part of the fight against the Taliban. It was quickly extended to include Osama bin Laden and persons associated with al-Qaeda. In the weeks following 11 September 2001, the UN created a separate requirement on member states to freeze the assets involved in terrorism more generally, where individuals were identified by member states. The way in which the Government responded allowed us to act quickly. Using secondary legislation under the 1946 Act, we ensured that our freezing regime was in place by 10 October 2001, just 12 days after the United Nations made its resolution in New York.

The United Kingdom was the first nation to be judged fully compliant with the international standards set by the Financial Action Task Force. Today, around £375,000 in suspected terrorist assets is frozen. That includes around £150,000 frozen under the secondary legislation in the terrorism orders. A much smaller figure is frozen under the Terrorism Act 2006, on which the Supreme Court passed judgment.

When, therefore, the Supreme Court struck down the legal basis on which we acted in good faith, we thought it imperative to act rapidly to present this Bill before the House. Our use of the United Nations Act 1946 was, as I have argued, logical because it says that the Government can make provisions through Orders in Council when "necessary or expedient". As my hon. Friend the Exchequer Secretary has already pointed out, the Court of Appeal agreed with the judgment; the Supreme Court did not, which is why we find ourselves here this afternoon.

David Howarth: That brings us to the issue of what the Government are doing now about the Supreme Court's judgment. Why have they not simply used the 2001 Act to freeze the assets of such individuals, as Lord Hope in the Supreme Court said specifically that, in his opinion, that Act would apply?

Mr. Byrne: I am not sure whether the hon. Gentleman is referring to the 2001 Act or the 2001 order.

David Howarth: I am referring to sections 4 and 5 of the Anti-terrorism, Crime and Security Act 2001. Lord Hope said that the freezing regime in that Act applied to the individuals before the Court in the Ahmed case.

Mr. Byrne: We did not do so for the simple reason that that is not a sufficiently general defence. Indeed, the 2001 Act deals with threats emanating from outside the UK, whereas the terrorism order regime that we are seeking to legislate for today touches on threats that emanate from inside the UK, specifically from UK individuals.

David Howarth: This sounds like a point of detail, but it is crucial to what is happening today. Section 5 of the 2001 Act applies the freezing regime not just to individuals abroad, but to any individual in this country who is assisting that individual. What the Minister says applies only to circumstances where the whole plot is domestic. That did not seem to apply in the cases before the Court; how many other cases are there where the plot is entirely domestic?

Mr. Byrne: I could not speculate on how many cases the security services are monitoring where the threat is entirely domestic, but let me be clear that the provision to which the hon. Gentleman is alluding would not cover UK persons unless we could demonstrate a link to external persons who pose a direct threat to the UK or to UK nationals. In the case of a UK plot, the link would, as the hon. Gentleman says, be absent. The point of the regime is that it is designed to enable preventive action. That is why, as is common in much national security legislation, the thresholds in question include reasonable suspicion.

Mr. Hogg: The right hon. Gentleman will be familiar with much of the anti-terrorism legislation in place, so he will know that most Acts have provided for at least limited repeal or review of the orders made thereunder. The right hon. Gentleman has known for a long time that he might have to legislate in this context, but his Bill provides for no form of review or appeal against the scope of the freezing orders or, for that matter, against designation. Why did he not make such provisions in the Bill?

Mr. Byrne: I hope to touch on the question of judicial review later in my remarks, but there are three basic points to be made in response to the right hon. and learned Gentleman. First, the Government were relying on the United Nations Act 1946 in good faith. Before the Supreme Court passed judgment, it would not have helped our case to bring legislation forward that showed that we were worried about that or that we wanted to provide for a different legal basis.

Secondly, that judgment having been passed, it is surely right for the Government to bring forward comprehensive legislation to deal with the problem that we are trying to solve. I personally do not think that

such legislation should be whipped through the House. Even for a period as short as eight weeks, such proposals, if transposed into legislation, should benefit from Select Committee pre-legislative scrutiny and be subject to a review by Joint Committees, which would take a considerable period. However, because the Supreme Court did not grant a stay in its judgment, about £16,500 linked to about 14 people could, under the Terrorism Act 2006, suddenly be made available. My view was that the best strategy was to put in place temporary legislation to help ensure that the banks kept those assets frozen while the House was able to take the time to put on the statute book a more substantive answer to the Supreme Court's judgment.

Mr. Mark Hoban (Fareham) (Con): When the matter was discussed with the Treasury last week, plan A was to put a Bill on the statute book in eight weeks. The sudden conversion to greater time being spent and more pre-legislative scrutiny arises simply as a consequence of the Supreme Court's judgment on Thursday to quash the orders. What else has accounted for the Chief Secretary's change of mind?

Mr. Byrne: There is the simple idea that eight weeks is not an ideal time in which to pass the legislation. The legislation could have gone through in eight weeks, but if it is possible to give the House more time to debate it, that is surely right. What changed last week was the Supreme Court's decision not to grant a stay. It would have been unreasonable to ask the banks to keep the money frozen for the amount of time it would have taken the House to give the matter proper consideration.

Mr. Andrew Dismore (Hendon) (Lab): My right hon. Friend has published the draft Bill, which is available in the Vote Office, and I welcome his invitation to my Committee to scrutinise it. Were we required to do so, however, it would not take us eight weeks to produce a report on the Bill. I have half scrutinised it already, and I can tell him now what the issues are, including lack of right of appeal and the test to designate someone in the first place.

Mr. Byrne: I look forward to that debate ensuing.

Mr. Hoban: The route available now to the Government—the emergency Bill today and a longer period of scrutiny—could have been the plan originally discussed between ourselves and the Treasury when the issue first arose. Suddenly, the Government have had a change of heart. We could have had the emergency legislation before us today and the longer discussion period for the Bill, but when the Supreme Court issued its original judgment, the longer Bill was the preferred option. There was no sense then from the Treasury that there was a plan B. It has suddenly arisen as a consequence of last Thursday's judgment.

Mr. Byrne: The answer to the hon. Gentleman is simple. The Supreme Court said that it was willing to consider a stay, but its judgment on Thursday was that it was unprepared to grant that stay. Therefore, the Government had to ensure that assets already frozen under the Terrorism Act—the orders that had effectively been quashed—remained frozen. That gives the House the opportunity to consider in more detail and depth the provisions of the orders that we will seek to put into primary legislation in a much longer period. That debate will produce a better piece of legislation at the end of it.

If passed, the Bill will restore the UK's terrorist asset-freezing regime in primary legislation, but only as a stop-gap. It will allow the House to scrutinise our proposals while eliminating any risk of a gap in our asset-freezing regime. I would like to outline briefly the Bill's effects, before touching on some of the questions around safeguards.

The Bill seeks to maintain the Treasury's power under the Orders in Council to designate persons if they meet both required conditions of the legal test: first, reasonable suspicion that the person is involved in terrorist activity; and secondly, that the designation is necessary for public protection. The effect of a designation is: to forbid dealing with a designated person's funds and economic resources; to forbid making funds or economic resources available to such persons; and to forbid funds or economic resources being made available to a person when the designated person will obtain significant financial benefit. The orders will continue to provide for licences to permit access to funds and to ameliorate the effect of the sanctions. The Treasury will remain open to the full range of legal challenge of its asset-freezing decisions. However, the Bill seeks retrospective provision for the legal authority for banks and any other institution to maintain existing freezes between the date of the Supreme Court judgment and Royal Assent.

Mr. Hogg: The Chief Secretary said that the Treasury will be subject to the full weight of judicial review, but he will be the first to acknowledge that that is a limited remedy, which falls far short of the specific appeal mechanisms that should be in place to determine the justice or otherwise of particular orders as they affect particular individuals, and the designation of those individuals.

Mr. Byrne: I shall discuss judicial review in a little more detail shortly. The point that I am making is simply that this Bill does not give the Treasury any retrospective protection in relation to decisions made between the handing down of the Supreme Court judgment and Royal Assent.

There are five safeguards that I wish to mention in order to provoke what I think is an important debate about the dimensions of the Bill. Let me begin by dealing with the question of who is included in its ambit. The orders that we propose to underpin ensure that—as I have said—individuals and organisations can be designated only if a reasonable suspicion test is met, and if a second test establishes that action is needed to protect the public. Freezes will be removed from those for whom the legal test fails. The Treasury has a track record of actively reviewing designations and revoking them when they no longer meet the legal tests. Of the 51 United Kingdom designations made under orders to date, 18 have been revoked following a Treasury review—for example, when criminal charges have been dropped, or when an individual is no longer considered to pose a significant threat.

The Treasury must be satisfied that there are reasonable grounds to suspect a person, and reasonable grounds for suspicion must always be based on fact. The facts are provided in a statement of case prepared by the

[Mr. Byrne]

police or the security services, and the basis for action is endorsed by the financial action taskforce. The Treasury does not casually make up a determination of what is in the interests of public protection and what is not. In determining whether a person constitutes a threat, it will consider the advice of the police and the security services.

Mr. Dismore: Is either the whole or the gist of the factual matrix to which my right hon. Friend has referred available to the person whose assets are to be frozen, in accordance with the requirements of asset-freezing?

Mr. Byrne: Yes, and when individuals wish to challenge decisions that entail closed-source evidence, the special advocacy procedure is also available.

The second question on which I want to touch is whether the proposed acquisition of powers by the Executive strikes the right balance between protecting national security and protecting the rights of our citizens. The Bill aims to ensure that the Government's actions are proportionate, and that they intervene only to the extent that is necessary to disrupt terrorist finance. That approach mirrors international best practice for terrorist asset-freezing, which in turn reflects standards set out by the Financial Action Task Force. The orders therefore include a licensing regime which ensures that designated persons have access to legal aid and living expenses. A wide range of other expenses can also be allowed when it is judged safe for that to be done.

The licensing regime is now sophisticated and well developed, and helps us to guarantee the proportionality of asset-freezing. Last week, in her statement to the House on licensing, the Exchequer Secretary announced a new approach that will safely lighten the impact of the regime on the families of designated individuals. The Treasury will continue to report to Parliament each quarter on the operation of the asset-freezing regime.

Mr. Robert Syms (Poole) (Con): Is the test of reasonable suspicion carried out individual by individual or organisation by organisation? If an organisation with 2,000 or 3,000 members were deemed to be a threat to the state, would it be possible to freeze the funds of those 2,000 or 3,000 people, or would they be dealt with on a case-by-case basis?

Mr. Byrne: I am grateful for the opportunity to clarify the position. They would be dealt with on a case-by-case basis, and in line with code A of the Police and Criminal Evidence Act 1984, which provides the Government with guidance on reasonable grounds for suspicion.

Mr. Dismore: My right hon. Friend mentioned the licensing regime, which governs people's living expenses. I do not see any provision in the draft Bill that provides for an appeal or review at the instigation of the individual concerned if he claims that the amount allowed is not enough. Is there any way in which such an individual can question the amount?

Mr. Byrne: Yes, indeed. Licensing decisions can be, and are being, challenged in court to ensure that they are appropriate.

The third safeguard on which I want to touch is what qualifies an official to make a decision, because it is important for the House to consider the accountability of the decision taker. Decisions are not taken by unelected officials. Asset-freezing decisions are made personally, assiduously and carefully by the Exchequer Secretary, and officials advising her draw their counsel from either the police or the Security Service, and, where appropriate, that may include information from criminal trials. Wider evidence must also be provided, where it exists, but the final decision rests with the Minister.

The fourth question on which I want to touch is transparency and whether decisions are taken in secret or in a transparent manner. It is essential that these decisions are made in a transparent manner, so the orders will continue to ensure that designated persons are informed of their designation along with an explanation, that the public are informed of the person's name and location by a notice on the Treasury's website, and that the House is informed through a quarterly report on the operation of the regime, including information on new designations, reviews and de-listings, the amount of funds frozen and licensing statistics.

Finally, there is the critical question of how decisions taken by the Exchequer Secretary are open to challenge; we might discuss this further later. The orders we seek to underpin provide a clear route by which any individual affected by a designation or a licence can contest the Exchequer Secretary's decision. They can make an application to the High Court to have that decision set aside. Courts can then judge whether the grounds of a decision were reasonable, and can scrutinise the Minister's decision that the designation was necessary for public safety. That scrutiny will include all the material before the Treasury when the decision was made and any material available that should have been considered. The courts have the power to quash Treasury designations if they are found not to have met the strict criteria set out in the orders. At the point of the designation, the Treasury issues a legal expenses licence, which includes legal aid. That means that the designated person is able to seek legal assistance immediately and challenge the Treasury's decision.

Mr. Dismore: Presumably, that is on the basis of the test of judicial review, according to my reading of the draft Bill. However, as long ago as the 2003-04 Session, my predecessor at the Joint Committee on Human Rights had already indicated that

"judicial review provides only a very limited protection against legislative orders of this kind".

My Committee comes back to that point time and again in other aspects of counter-terrorism policy, too. How can my right hon. Friend be sure that what he is proposing will be human rights compliant, bearing in mind the wealth of evidence to the contrary?

Mr. Byrne: I am confident that the courts have the necessary latitude to consider the two tests that an individual needs to fail to become designated. First, there must be reasonable evidence that they are involved in terrorist activity, and the courts are perfectly able to consider the evidence on which the Minister relied when making that decision. Secondly, the courts are able to consider whether the freezing of an individual's assets is necessary in order to protect the public. Even if there is

information from closed sources, procedures are available that ensure that courts are able to review that material, too.

Mr. Hogg: The right hon. Gentleman is doing his best to reassure the House, but does he understand that there is a fundamental difference between judicial review and reviewing the merits? Judicial review is essentially designed to determine whether the Minister is acting properly, but reviewing the merits is basically designed to determine whether an order is just; and whereas the provisions deal with the former, they do not deal with the latter.

Mr. Byrne: I understand that, but I think that the protection in place is appropriate, because in the first instance we are dealing with whether there is reasonable suspicion—and reasonable suspicion is the right point on which to rely, because we are seeking to act in a pre-emptive manner in order to ensure that the economic resources available to somebody involved in terrorist activity are not used for a terrorist attack or the maintenance of terrorist infrastructure. The test of reasonable suspicion is a lower one, but clear guidance as to what constitutes reasonable suspicion is available. It is important that the courts are able to look at the evidence available to a Minister, on which that Minister relies, and investigate whether they made a proper and rational decision based on it. Thus, a second test also needs to be considered: whether the asset-freezing order put in place is needed for the protection of the public.

Mr. Gerrard: Let us be clear that the court will see that evidence but the person who is the subject of the order will not see it, because the special advocate procedure is being used. It is, thus, difficult for that person to produce counter-arguments to the evidence put before the court.

Mr. Byrne: Only closed-source evidence is used in the special advocate procedure, but we must ensure that appropriate checks and balances are in place. I am satisfied that against the test of reasonable suspicion judicial review is an appropriate way to ensure that Ministers act rationally and in the spirit of the law.

I wish to say a word about the sunset clause, which is important for the House to debate. We proposed a sunset clause period in this Bill ending 31 December 2010, but amendments have suggested that that is too long. The House must strike a balance between urgency and careful deliberation. The Bill is designed to solve the urgency problem; given that a stay of judgment was not handed down by the Supreme Court, it is important that assets frozen under the Terrorism Act 2006 remain frozen. Two further terrorism orders rely on the same UN Act for their legal substance and there is therefore a risk that they are vulnerable to being struck down. In addition, there is a problem in respect of those individuals covered by clause 3(1)(b) of the Al-Qaida and Taliban (United Nations Measures) Order 2006. However, these assets are frozen under EC regulations. The only issue with freezing things under EC regulations is that sanctions are not attached, so the Government will introduce secondary legislation to attach sanctions to those EC regulations.

Mr. Gummer: The Minister is being his usual charming self in explaining these matters, but I wish to press him again. There is a fundamental difference between the courts making a decision as to whether a Minister has acted properly and a decision as to whether a Minister has acted justly. The thing that I do not understand is why the Government do not think it proper to make sure that the issue of justice is involved when an appeal takes place, because that is why we are fighting terrorists. Justice is crucial to the whole argument and not to refer to it is worrying.

Mr. Byrne: I do not want to take a single word away from the opportunity that we will have to debate this legislation at more length. The right hon. Gentleman makes a good point to show why the House needs some time to debate our proposed transposition of the Orders in Council, on which we are relying, into primary legislation. These are exactly the kinds of debates that we need to test. The only point that I should make this afternoon is that the judicial review test is the norm in a number of other national security contexts and courts have demonstrated readily that it can be adapted to ensure an appropriately robust level of scrutiny of ministerial decisions.

Let us return to the final question of a sunset clause. If, as I hope, the House agrees this legislation over the two days, it will need to turn its mind to considering the right procedures for debating the full legislation in order to tease out some of the questions that have just been posed. This legislation equips the Executive with strong powers and I could not be confident that, given the looming elections and recesses, this job of scrutiny could be safely dispatched and a full Bill could be taken through both Houses before 31 July 2010—the date that I believe was proposed by the Liberal Democrats. We are therefore asking for a sunset clause of 31 December, in order to ensure that the draft Bill, published last week, is debated in full.

In conclusion, in these times of severe threat to our national security we cannot afford to fail to take the necessary steps to disarm terrorists or to disarm them of their financial power. Without primary legislation of the kind before the House, we will leave gaps in our defences that will give flexibility and capability to people who intend serious harm to the British public. The Bill provides for the safeguards for the citizen set out in the orders to remain in place. Those safeguards, I would argue, are tried and tested defences against the misuse of power by the Executive. At the same time, the Bill will provide Parliament with the proper time needed to consider and debate permanent legislation in full and I therefore commend the Bill to the House.

5.45 pm

Mr. Mark Hoban (Fareham) (Con): Let me make it clear that we will support the Bill tonight. We agree with the Government that there need to be proper controls in place to prevent terrorists and suspected terrorists from having access to their financial resources and the financial system. However, the Government need to recognise that we are here tonight, pushing through this emergency retrospective legislation, because they failed, despite many warnings, to put the asset-freezing regime on to a proper legislative footing. If they had heeded those warnings, we could have dealt with these issues through the proper consideration of a proper Bill, rather than with the three-clause emergency Bill before us today.

[Mr. Mark Hoban]

Each of us wants to ensure that our country is protected from terrorist threats. There are many aspects to those threats, but one of the essential elements is finance—the money to buy the plane tickets, to buy chemicals, or to rent a lock-up garage. Although the three orders at the heart of the Bill cover only 33 people and £151,000, that would be sufficient to fund terrorist activity. By denying terrorists or those suspected of participating in terrorist acts access to their funds and the financial system, we are restricting their ability to mount further terrorist acts.

If we freeze the assets of terrorists or suspected terrorists, it helps us to thwart the acts that they were planning, which is something that the Prime Minister emphasised when he was Chancellor. In a speech at Chatham House on 10 October 2006, he set out clearly the importance of this issue, ranking the importance of tracking terrorist assets alongside that of the code breakers of Bletchley Park during the second world war. He said that

"we can create what some will call a modern 'Bletchley Park' with forensic accounting of such intricacy and sophistication in tracking finance and connections that it can achieve, for our generation, the same results as code breaking at the original Bletchley Park did sixty years ago."

He stressed that it was important not just to be able to track assets but to take the right steps to freeze those assets. He went on to say:

"Tomorrow the Privy Council will lay before Parliament a new terrorism order which will give the Treasury the power to stop funds reaching anyone in the UK suspected of planning terror or engagement with terror."

Of course, it was the 2006 order that was quashed by the Supreme Court on 27 January. Now we know what the Prime Minister meant when he went on to say:

"And, as terrorist finance operates on a global scale, we know that we are only as strong as our weakest links."

So what was the weakest link? It is now clear that it was the order about which the Prime Minister boasted. The modern-day Bletchley Park was neutered because the order was quashed.

Mr. Gummer: I think my hon. Friend is being too kind to the Government. The problem is that this attitude is not limited to these issues—the Government, on almost every issue, would prefer legislation that is not debated in the House and that does not receive proper scrutiny to legislation that goes through the House. My hon. Friend ought not to limit his comments to this situation, serious though it is.

Mr. Hoban: My right hon. Friend is right. The Government have sought to limit scrutiny of legislation on a series of measures and they have sought to override the interests of Parliament. At the heart of the reasons behind the need for the Bill today is the fact that the Government overrode the interests of Parliament—they circumvented Parliament and they are paying the price for that by having to force through this Bill.

I was referring to the Prime Minister's speech at Chatham House. He went on to say:

"And such is the threat that the message must go out: we will not yield, relax, rest, ever become complacent or lower our guard."

But it seems that the complacency to which the then Chancellor of the Exchequer referred was complacency at the heart of the Treasury, which failed, despite repeated warnings, to put the orders on a proper basis that would withstand legal challenge. As I shall set out in more detail later, the Treasury has had plenty of warnings about the legislative basis for the orders, but it was complacent and it failed to act, thereby putting us in the position that we are in today of needing to pass the legislation to safeguard our nation's interests.

This is another example of the Government's cavalier attitude to Parliament. The orders, which deny fundamental human rights, were put in place without proper parliamentary scrutiny. Let me give my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) a few more examples. The Supreme Court announced that it was quashing the orders on the same day that the Exchequer Secretary was brought before the House to explain why there had not been proper parliamentary scrutiny of another Treasury decision that related to terrorism. Later this month, we are to debate a package of reforms that will strengthen the House and weaken the Executive's grip on it, but the relevant order has been written in a way that minimises the chance of those reforms going through. Even in their dying days, the Government have yet to learn that one cannot ignore Parliament. Today's emergency Bill is a reminder of what can happen when one does. If the Government had respected Parliament and put primary legislation in place, they would have avoided having to rush through these emergency measures today.

I do not particularly want to rehearse the details of the case that the Supreme Court heard or the reasons for the Court's judgment, but I think that we need to understand why the Government are having to introduce this Bill today. As I have said, we all recognise the importance that finances and access to the financial system play in terrorism. The three orders that are covered by the Bill restrict the ability of those who are suspected of involvement in terrorist acts to access their money and the system, but that process is intrusive, as Lord Hope made clear in paragraph 38 of the Court's judgment. He said:

"The effect of the regimes that the"

terrorism order and the al-Qaeda order

"impose is that every transaction, however small, which involves the making of any payments or the passing of funds or economic resources whether directly or indirectly for the benefit of a designated person is criminalised. This affects all aspects of his life, including his ability to move around at will by any means of private or public transport."

He went on to say, in paragraph 39:

"For example, HAY has been denied access to any funds since September 2005. His only permitted subsistence support is in kind provided by his wife. She is permitted, by licence from the Treasury, to access welfare benefits, which are the family's sole source of support. But she may spend money only on what the Treasury determines are 'basic expenses'. Until recently she was required to report to the Treasury on every item of household expenditure, however small, including expenditure by her children."

The impact of the restrictions on the lives of the people who are affected by the orders should not be underestimated. In paragraph 31, Lord Hope referred to three suspects—A, K and M—and explained the effects of the orders on them. He said:

"A and K no longer live with their families, and their current whereabouts are unknown. Their solicitor, with whom they have not been in contact for a number of months, attributes their

disappearance to the damaging effects upon them and their families of the regimes to which they were subjected by the Treasury. It placed an extraordinary burden on their wives, created significant mental health difficulties and led ultimately to the breakdown of their marriages. M's marriage has also broken down, but he has continued to have a close relationship with his children. He lives at his ex-wife's address where his children live also."

Jacqui Smith (Redditch) (Lab): Given the hon. Gentleman's understandable concerns about the impact of such measures on families, does he welcome, as I do, the Treasury's recent decision not to investigate or impose on spouses restrictions such as those he is concerned about? Many of us share his concerns about spouses, but the Treasury has already acted on those issues.

Mr. Hoban: I am trying to illustrate the impact that the regime has. The Treasury has relaxed some of the rules and there has been a change in relation to the nature of the three orders. There has also been reform of the system of licensing and exemption. In the 2009 order, there is much greater acceptance of the terms; indeed, the Treasury is trying to migrate a number of the people who are covered by the earlier orders on to the 2009 order.

The judgment continues:

"A, K and M have never been charged or arrested for terrorism related offences."

So the Government have introduced an intrusive regime that denies people who are suspected of crimes some of their fundamental rights under the European convention on human rights, including those under article 1 on protection of property, article 8 on respect for privacy and family life and article 6 on the right to a fair trial. As Lord Brown argued in paragraph 192:

"The draconian nature of the regime imposed under these asset-freezing Orders can hardly be over-stated...Undoubtedly, therefore, these Orders provide for a regime which considerably interferes with the...rights".

He went on:

"Similarly, it is indisputable that serious questions arise as to the sufficiency of protection of the article 6 rights of those designated."

David Howarth: Before the hon. Gentleman moves on to the fundamental rights aspect of the orders, may I bring him back to an earlier quote from the Supreme Court's judgment, which stated that A and K have disappeared? How does it help the fight against terrorism that people who are suspected of taking part in terrorism simply go underground?

Mr. Hoban: The hon. Gentleman has a point. I assume, and hope, that while A and K might have disappeared in the eyes of their solicitors and the judges, they have not disappeared in the eyes of the police and security services. Perhaps the Minister can clarify that point later. It would be a perverse reaction to the orders for A and K to disappear without trace.

What was the basis of the orders? As we have established, they were introduced under section 1 of the United Nations Act 1946, which was enacted to enable the implementation of the UN charter and Security Council resolutions. Measures under section 1 of the Act are introduced by Orders in Council, so there is no primary legislation or secondary legislation under either the affirmative or the less onerous negative procedure. So those fundamental breaches of human rights were put into force by the Executive—the Government—and not by Parliament. The Supreme Court has ruled that the orders go beyond what is required to implement the relevant Security Council resolution and are therefore ultra vires, but how did they go beyond the resolution? It was because of the reasonable suspicion test. Article 4(2) of the Terrorism (United Nations Measures) Order 2006 states:

"The conditions are that the Treasury have reasonable grounds for suspecting that the person is or may be—

(a) a person who commits, attempts to commit, participates in or facilitates the commission of acts of terrorism".

The Court took the view that these provisions exceed the powers given to the Treasury under section 1 of the 1946 Act. In paragraph 61 of his judgment, Lord Hope said:

"I would hold that, by introducing the reasonable suspicion test as a means of giving effect to"

resolution 1373,

"the Treasury exceeded their powers under section 1(1) of the 1946 Act. This is a clear example of an attempt to adversely affect the basic rights of the citizen without the clear authority of Parliament."

Mr. Hogg: The fact that the Treasury adopted the reasonable suspicion test, which has proved unsatisfactory in the eyes of the Supreme Court, demonstrates the lack of wisdom of legislating by way of secondary legislation. Does my hon. Friend agree that if this matter had gone before the House in primary legislation, there would have been substantial protest from us and, no doubt, other right hon. and hon. Members regarding the use of the reasonable suspicion test, which is a low standard of proof?

Mr. Hoban: My right hon. and learned Friend makes an important point, and it was because of the lack of parliamentary scrutiny that the Supreme Court reached the conclusion that it did on the orders.

Let me continue to quote from paragraph 61. It goes on to say that

"fundamental rights cannot be overridden by general or ambiguous words. The absence of any indication that Parliament had the imposition of restrictions on the freedom of individuals in mind when the provisions of the 1946 Act were being debated makes it impossible to say that it squarely confronted those effects and was willing to accept the political cost when that measure was enacted. In my opinion"

the terrorism order

"is ultra vires section 1(1) of the 1946 Act".

So if there had been a proper parliamentary process that had sanctioned depriving those who were suspected of involvement in terrorist acts of their rights, the Supreme Court would not have quashed the orders, but in the absence of that process, the Court felt that the powers were outside the scope of the Act.

As several right hon. and hon. Members have said, there were plenty of warnings. In addition to the way in which the case was pursued through the courts, there were three other warnings to the Government about the risk that they were taking in using the 1946 Act as the basis of the terrorist freezing orders. Those warnings were the Foreign Affairs Committee report on Sierra Leone in 1999, the Newton committee report of 2003, and the precedents used in other common law jurisdictions.

[Mr. Hoban]

I shall say a little about them to demonstrate that the Government had the warnings but chose not to hear them.

The Foreign Affairs Committee looked at how the Government imposed sanctions on Sierra Leone using the 1946 Act, and highlighted the need to use primary legislation to underpin the future use of those powers. In its 1999 report, the Committee drew attention to the way in which a resolution of the Security Council about the imposition of sanctions against Sierra Leone had been implemented by an Order in Council, but the Security Council resolution did not define Sierra Leone, leaving the extent of its application ambiguous. The Order in Council defined it in terms that removed any ambiguity but arguably went beyond the scope of the resolution. In the same way, in the present order the Government arguably went beyond the scope of the Security Council resolution that they were seeking to implement.

In its report, the Committee said that the way in which the Order in Council was dealt with was unacceptable as it was subject to no parliamentary procedure. Had it been necessary—this goes back to the point made by my right hon. Friend the Member for Suffolk, Coastal—for a Minister to appear before a Standing Committee on Delegated Legislation or to defend the order on the Floor of the House of Lords, it was likely that wider attention would have been given to its true meaning and extent.

In paragraph 23 of its report the Select Committee recommended that

"the United Nations Act 1946 be amended so that delegated legislation made under section 1 was subject to affirmative resolution in both Houses of Parliament."

So the Foreign Affairs Committee highlighted the problem that we see today, where the order overreached the Security Council resolution, and recommended that the affirmative resolution procedure should be used in the future.

A second warning arose from Lord Newton's review of the Anti-terrorism, Crime and Security Act 2001, which conferred powers on the Treasury to make freezing orders on residents of a country or territory outside the UK. Comment has already been made about the number of Acts on the statute book that could be used to freeze assets. A point that Justice made in its submission on the Bill was to ask why parts 1 and 2 of that Act and parts of the Terrorism Act 2000 and the Prevention of Terrorism Act 2005 could not have been used in place of the Bill. It would be helpful if the Minister addressed that issue when winding up the debate, as it has triggered widespread concern.

The 2001 Act was reviewed by a Committee of Privy Counsellors chaired by Lord Newton. Lord Newton said in his report that powers under part 2 were unlikely to be used while the 2001 order was in place. He argued in his conclusions that

"freezing orders for specific use against terrorism should be addressed again in primary legislation, based on the well-tested provisions of the Terrorism (United Nations Measures) Order 2001".

This is another warning that the basis of the orders should be explicit in primary legislation. In retrospect, the 2001 order might not be seen as robust as later iterations, but the point that Lord Newton made about primary legislation is still valid.

The third warning was the way in which other nations have implemented the orders. Having originally opted for implementation using their equivalents of the 1946 Act, New Zealand and Australia subsequently set up the orders using primary legislation. Lord Hope responded to this by stating in paragraph 50 of the judgment:

"The regimes that both Australia and New Zealand have introduced by means of primary legislation are exacting. But they contain various, albeit limited, safeguards and in so far as they interfere with basic rights of the individual that interference has been expressly authorised by their respective legislatures."

That is not the route that the Government have chosen to go down.

So there were warnings from the Foreign Affairs Committee and Lord Newton's committee and the precedent from other common law jurisdictions that primary legislation was the preferred route, but the Government chose to ignore those and we have to put through this emergency legislation today.

No one should be under any illusions about the gravity of the measures in the Bill. Because the Supreme Court quashed the orders on Thursday morning, those subject to the orders could have accessed their bank accounts and the financial system with impunity since then. The Treasury sought the co-operation of the financial services sector to ensure that this could not happen, even though those subject to the order have the same right as you and I to use those assets.

I should like to ask the Minister about the period between the Supreme Court's quashing of the orders on Thursday and the Bill gaining Royal Assent. Can she confirm that the provisions in clause 2 are sufficient to protect banks and other financial institutions from claims made by those subject to the freezing orders if, between 4 February and Royal Assent, they sought to withdraw money from their bank accounts? Has the Treasury granted an indemnity to any financial institution covered by this?

Where the Treasury has been given powers to grant further directions in clause 1(3)(a), can the Minister clarify under which order—the 2001 order, the 2006 order or the 2009 order—new directions would be issued where a terror suspect has been recently identified?

The final point that I want to raise with the Minister, to which I will return at greater length in the Committee stage, is the sunset clause. As I indicated in an intervention on the Chief Secretary, until last Thursday there was only one plan in town. It was to publish a longer, substantial Bill that would put the freezing orders on a proper footing through primary legislation, with a view to completing the parliamentary process by no later than 31 March 2010. That is the document that was published last week.

The view then was that that would give time for adequate scrutiny and it would have allowed Parliament to debate the measures properly. That is the offer that was on the table, and we reiterated to the Exchequer Secretary last Thursday that we were content to continue down that route, as well as participating in discussion of the Bill today. We believe it is right for this to happen, and it would reduce the period during which the Government were dependent on this emergency Bill. That is the basis of the amendment that we will move later.

The issue demonstrates the importance of reviewing the patchwork of anti-terrorism legislation. In its submission, Justice asked why parts 1 and 2 of the

Anti-terrorism, Crime and Security Act 2001 and parts of the Terrorism Act 2000 and the Prevention of Terrorism Act 2005 could not be used in place of the Bill. Surely it is time to move beyond a piecemeal approach to national security legislation, and consolidate the legislation and ensure that it is compatible with fundamental rights and freedoms.

The Bill is necessary, because without it those suspected of involvement in terrorist activity could have been free to use their financial assets and the financial system. We do not know how they would have used this freedom, but it would have been reckless for the Government not to take steps to restrict that access, given the Supreme Court's ruling. But in supporting the Government's actions today, we cannot and will not ignore the fact that the Government are in this mess because they failed, despite all the warnings, to put the orders on to a proper basis. To deny people's right to the freedoms that we take for granted, they bypassed Parliament and failed to seek Parliament's approval for the action that they took. The Government's repeated failure to respect Parliament has led them to the position that they are in today.

In 2006 the Prime Minister said that

"as terrorist finance operates on a global scale, we know that we are only as strong as our weakest links.".

Today proves that the weakest link was the Treasury, the Department that the Prime Minister ran. It was the Department that failed to put the orders on to a proper footing. It failed to respect Parliament. It failed to respond to the warning signs from home and abroad. In passing the Bill tonight, we are bailing out the Prime Minister and getting the Government out of a hole, but it is the right thing to do to safeguard our country.

6.8 pm

Jacqui Smith (Redditch) (Lab): I welcome the Bill and the speed with which the Government have introduced it. Nobody would want any Bill to have to pass all its stages in one day, and for the House to miss the opportunity of pre-legislative scrutiny, but I am wholly convinced that the serious risk of no effective provisions being in place for terrorist asset freezing following the Supreme Court decision and, significantly, following the Supreme Court's refusal to suspend that judgment, justifies the unusual action being taken by the Government today.

Opposition Members have made much about the Government somehow failing to heed the warning signs of legal action against the orders, but the High Court's quashing of the order in early 2008 was overturned later that year by the Court of Appeal.

Mr. Hogg: I can understand the right hon. Lady taking a legalistic point of view, but surely she should also go to the high ground and look back to 2001 and Lord Newton's committee, or to 2004 and her hon. Friend the Member for Hendon (Mr. Dismore) and his Joint Committee on Human Rights. They did not interpret the matter on legalistic grounds; they based their contention on the fact that the measures should have been in primary legislation on broad, ethical grounds.

Jacqui Smith: My point is that there was not only significant legal advice that the 1946 Act was a legitimate ground for introducing Orders in Council in order to translate UN Security Council resolutions, but legal justification between October 2008 and the point at which the Supreme Court upheld once again those individual appeals. The idea that every time a piece of legislation—primary or secondary—faces a challenge in the courts, the Government should rush to Parliament to pass separate legislation in order to mitigate the challenge is ridiculous. If anybody would like to estimate the time that we would spend here legislating on that basis, they would find that none of us would get home on any night at all.

As my right hon. Friend the Chief Secretary to the Treasury said, we continue to face a serious threat from terrorism; and, despite the hard work of our police and our security and intelligence agencies at home and abroad, recent events have demonstrated that the threat remains from the al-Qaeda leadership, their immediate associates, their affiliates throughout the world and from rogue individuals who espouse their view and ideology. The scope and nature of that threat mean that we need a broad approach to tackling it. With the rule of law and the protection of human rights at its heart, the first priority of any counter-terror strategy must be to catch and prosecute those responsible for planning, facilitating and carrying out attacks, and to take action through our courts. The almost 200 successful convictions since 2001 are evidence of our commitment to, and success in, pursuing that route.

However, the threat is such that we should also use the broadest range of methods, including non-prosecution where necessary, to disrupt activity and make the UK as hostile as possible to terrorist planning and facilitation. An important element of that must be cutting the finance that funds attacks and networks. Terrorists need money to plan and carry out attacks, although, as my right hon. Friend identified, it is worrying how little an amount can cause terrible damage and loss of life. As he said, it is estimated that the 7/7 attacks on London cost £8,000. The improvised explosive devices that are used to attack our forces abroad can cost much less even than that.

Terrorist organisations also need money to sustain networks and provide financial support to terrorists and their families. The sums are likely to be greater, but they provide for the infrastructure of terror. We need to ensure that those who radicalise individuals and peddle the ideology that supports terrorism are tackled as they raise the funds for such work. It is suggested that work to limit funding internationally is successfully hampering the work of al-Qaeda. That activity is welcome, but it shows how important action on terror financing can be.

In recent years, that work has been scaled up throughout Government, involving the Serious Organised Crime Agency and the private sector. Work is in place to deter terrorists from using the financial system, to detect them when they do and to use financial tools to disrupt them. I understand that financial intelligence and investigation tools are used to support all counter-terrorist investigations, and we have excellent, specialist terrorist financial investigation capacity in this country.

Asset freezing is only one element of that work, but it is important. As my right hon. Friend said, our asset-freezing regime is based on international recognition, through the UN, of its significance in helping to counter the terror threat. As we have heard, the UN maintains under Security Council resolution 1267 a list of individuals and entities connected to al-Qaeda and the Taliban.

[Jacqui Smith]

Security Council resolution 1373, adopted in September 2001, broadened that approach, recognising that individual states needed to take action against those within their territories who funded terrorism, even if they were not on the UN-held list. Given the fragmented terror threat and the growing phenomenon of individuals who self-radicalise or act alone following radicalisation, the legislation before us seems an important and appropriate development of the asset-freezing regime. That may well explain, as my right hon. Friend and my hon. Friend the Exchequer Secretary have explained, why the Anti-Terrorism, Crime and Security Act 2001, which confines itself to restraints on terrorists or acts that have been inspired overseas, may be insufficient. Given the fragmented terror threat, it is not inconceivable that wholly domestically organised and determined terrorist threats and networks may be operating, and we need an asset-freezing tool to use against them, too.

At the heart of the Supreme Court ruling was neither the principle of asset freezing nor even its practice in the UK, although the judges rightly commented on the onerous requirements, as other Members have said. At its heart was the translation of Security Council resolutions into UK law.

David Howarth: It is important for the House to understand why the Supreme Court did not consider the human rights aspect of the legislation. It thinks, and thought, that, because of the al-Jedda case, the implementation of Security Council resolutions takes precedence over all human rights under the European convention. That seems to be a wholly different position from saying that it is all right in human rights terms to pass such legislation.

Jacqui Smith: I was not making that argument; I was arguing that the Supreme Court made its decision on the basis of the translation of UN Security Council resolutions into UK law, rather than on the detail of the legislation's implementation or even on some of the other questions, which Members from all parts have rightly raised.

Mr. Hogg: The right hon. Lady is right in part, but she will also accept that Lord Hope's judgment, for example, was to the effect that the provisions in the orders were, in a democratic state, incompatible with civil and political rights.

Jacqui Smith: Surely the key element is that, given the significant and onerous nature of the proposals, it was wrong to implement them without sufficient parliamentary oversight and scrutiny. The Government are attempting to put right the first stage of that today.

Given the seriousness of the threat, and given that there was legal advice to support the use of the 1946 Act, it is understandable that the Government thought it suitable. Its use has been ruled ultra vires, and the right response is to bring forward primary legislation, first, as quickly as possible in order to plug the gap.

Members from all parts of the House, but Opposition Members in particular, have criticised the speed with which the legislation has been brought forward, and I am sure that the Government would have liked more time for parliamentary consideration and external consultation. That, presumably, is why they asked the Supreme Court to suspend its decision: to maintain the asset-freezing orders in place while Parliament had the chance to consider the issue. That request was of course dismissed. It would be useful if my hon. Friend the Exchequer Secretary could confirm that its dismissal has potentially freed up considerable assets for terrorist use, enabling the people whom the orders covered to make free use of those assets and any financial institutions that they like. It is also worth pointing out that had not the Government moved quickly with this proposed emergency legislation, the financial institutions that have implemented the freeze could have been placed in a position whereby legal action could be taken against them.

If the Supreme Court decision is really about the will of Parliament, it is a bit hard to understand why Parliament could not be given sufficient time to consider the implications of the proposed legislation. Rightly, the Bill is temporary: its provisions will fall by the end of 2010. We should have more time to consider the nature of the provisions and the safeguards in place. This asset-freezing regime is onerous on individuals and their families. I am pleased that in introducing a new order last August to replace the 2006 and 2001 orders, the Government ensured that any restrictions are more carefully tailored to areas of genuine concern. They have made the safeguards more explicit and freed up the situation of spouses and families. Furthermore, in the last quarter, as reported in last November's report to the House, 35 licences had been issued. These licences ensure that living requirements and finance for legal assistance can be met while other assets are frozen. I hope that my hon. Friend the Minister will take the opportunity, as far as she is able, to outline those restrictions and safeguards and tell the House what kinds of licences have been issued to ensure exemptions for necessary expenditure for living costs.

It is clear that dealing with this will take more time than we have today. That is why I welcome the publication of the pre-legislative scrutiny of the draft Terrorism Asset-freezing Bill, which was published at the same time as this Bill, and which gives Committees of the House, hon. Members and external stakeholders a proper opportunity to look in detail at the provisions, safeguards, restrictions and processes that are being put in place. However, I hope that consideration of that Bill will be brought forward as quickly as possible so that the House has the opportunity for the important full scrutiny. The scale of death and destruction willed by terrorists costs money. The building of networks comes at a price. In doing the job of countering this threat, it is necessary to recognise that reality and use a range of tools to tackle it. Asset freezing is an important tool in doing that, and we must ensure that those whom we task to keep us safe have it at their disposal. The Bill will ensure that protection in the short term; for that reason, I hope that we pass it today.

6.22 pm

Dr. Vincent Cable (Twickenham) (LD): We have heard three speeches in support of the Bill. I have to say that Liberal Democrat Members are not yet persuaded, but we will listen to the remainder of the arguments.

Under Security Council resolution 1373, the UK Government are obliged to take action to prevent and suppress the financing of terrorist acts and to freeze without delay the funds or other financial assets of persons who commit or attempt to commit terrorist acts. If there were purely a technical problem in giving effect to that resolution, we would all be bending over backwards to help the Government to achieve their aim; certainly, we do not want floods of money going into the acquiring of terrorist weaponry. However, that is not the issue; the issue is the position of the Supreme Court. I do not usually read Supreme Court rulings—I spend my time reading much more exciting things such as tables of economic statistics—but I was amazed by the trenchancy of the language, with references to "draconian", "drastic", "oppressive" and "paralysing" activities within the framework of these orders. The Bill has been described as very bad legislation. More importantly, in some ways, the legislation—not in our view but in the view of the Supreme Court justices—is unnecessary. That is why we remain highly sceptical about its validity.

More positively, I appreciate the fact that the Government have consulted quite extensively over the past few days. I have been consulted more extensively than at any time in my past five years in this job—even more than I was at the height of the banking crisis. In my more generous moments, I think that a spirit of consensus has broken out within Government; in my more cynical moments, I think that the Government are in a hole and desperately trying to get everybody on board. However, we will approach this constructively. My hon. Friend the Member for Cambridge (David Howarth) and I have tabled a series of amendments that are intended to be constructive and to deal with what we think are the defects in the Bill, particularly the lack of clarity in the safeguards governing reasonable suspicion and the appeals process.

I pay tribute to the non-governmental organisations, Justice and Liberty, which have produced at very short notice—it is only 24 hours since the legislation was published in draft form—extremely impressive and detailed notes cross-referencing the legal points. That is particularly helpful to people like me who are not lawyers and tend to approach these complex legal and constitutional issues with all the enthusiasm of an ordinary member of the public faced with a mathematical economic treatise.

In terms of the nature of the problem to be addressed, let me deal first with the question whether this legislation is necessary. We have had an extended discussion, prompted by my hon. Friends the Members for Somerton and Frome (Mr. Heath) and for Cambridge, about whether it would be possible to use the alternative powers that are available, with a lengthy exchange on the Anti-terrorism, Crime and Security Act 2001. I was surprised to see Ministers swatting aside the judgments of Supreme Court justices as if they had perpetrated some elementary undergraduate error in failing to understand what the existing Acts were all about. It is possible that Lord Hope and his colleagues do not have a basic understanding of the law, but that strikes me as being rather unlikely. However, let us assume for the moment that they are wrong—that they completely misinterpreted what the 2001 Act was all about and failed to realise that there were limitations on its use. In that context, it is worth quoting what Justice said in its summary of the alternative legal powers:

"there are already a great many provisions in UK law that give effect to the government's obligations under resolution 1373. These include sections 14-19 of the Terrorism Act 2000 (criminalising the use of funds or other property for purposes connected with terrorism); Parts 1 and 2 of the Anti-Terrorism, Crime and Security Act 2001"

and

"the Prevention of Terrorism Act 2005 (control orders). Even the provisions of the Proceedings of Crime Act 1998 may be used to seize funds that result from terrorist activity."

I hope that Ministers will give us a clear explanation as to why these powers are not usable or not appropriate, because the Supreme Court evidently thinks that they are.

Mr. Gummer: Does the hon. Gentleman agree that the fact that there is a significant amount of doubt about this brings us back to the point that if the Government had introduced in the House the provisions that they put through outside the House, then precisely these issues could have been raised by Members of Parliament, which is the way that Parliament ought to be used?

Dr. Cable: I am sure that that is right. The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) referred to the fact that the Supreme Court justices had described this whole process as an offence against democracy, and that is a striking way of summarising what the right hon. Gentleman says about Parliament being the democratic forum in which these debates are properly conducted.

Let me turn to the reasons why the Supreme Court justices considered these powers, which we are legitimising for a further period—the best part of a year—as draconian, drastic, oppressive and paralysing, and go over some of the points that were made. The Government quoted Lord Brown in support a few moments ago because he ruled in their favour on one order. None the less, Lord Brown said in his comments:

"The draconian nature of the regime imposed under these asset-freezing Orders can hardly be overstated. Construe and apply them how one will—and to my mind they should have been construed and applied altogether more benevolently than they appear to have been—they are scarcely less restrictive of the day-to-day life of those designated (and in some cases their families) than are control orders. In certain respects, indeed, they could be thought to be even more paralysing."

As for the orders' impact on family life, the former Home Secretary, the right hon. Member for Redditch (Jacqui Smith), intervened a few moments ago to say that the Government had made an announcement to the effect that the family provisions would be relaxed. However, as I understand it, they are being enforced currently, and were described by a Supreme Court justice in the following terms:

"The overall result is very burdensome on all the members of the designated person's family. The impact on normal family life is remorseless and it can be devastating".

That language is not moderate, especially coming from people in a profession normally associated with understatement.

The deputy president, Lord Hope, concluded in discussing the orders:

"The consequences of the Orders that were made in this case are so drastic and so oppressive that we must be just as alert to see that the coercive action that the Treasury have taken really is within the powers that the 1946 Act has given them."

[Dr. Cable]

That is strong stuff. We should take note of it, not merely of the purely legal points being disputed.

We return to two central principles. The first is the point about reasonable suspicion. The notes prepared for us by Justice and Liberty state that other countries with similar approaches to the law have also grappled with this problem: what is the right balance between absolute proof and reasonable suspicion? Even the Australians, who could hardly be accused of being soft on terrorism and who have had to cope with bombings in Bali and elsewhere, apply a tougher standard of proof. A Minister must be persuaded that an individual is involved in terrorism. That is a somewhat stricter test than reasonable suspicion, which is why my colleague and hon. Friend the Member for Cambridge and I have tabled amendments to strengthen the safeguards on that point.

On appeals, it is worth recalling again what Lord Rodger, another justice, said:

"the harsh reality is that mistakes in designating will inevitably occur and, when they do, the individuals who are wrongly designated will find their funds and assets frozen and their lives disrupted, without their having any realistic prospect of putting matters right."

That is why appeals should be heard on issues of substance and not simply of procedure.

Mr. Hogg *rose—*

Dr. Cable: I know that the right hon. and learned Member for Sleaford and North Hykeham and the right hon. Member for Suffolk, Coastal (Mr. Gummer) have been trying strenuously to communicate in this debate, so I will give way.

Mr. Hogg: I am grateful to the hon. Gentleman. Will he also keep in mind page 19 of the 2004 report by the Joint Committee on Human Rights? It makes the point that judicial review, which is the only protection afforded by the draft Bill and indeed the order, affords

"only a very limited protection against legislative orders of this kind, except where they contravene European Community law."

We must recognise that judicial review per se is not an examination of the merits of an order.

Dr. Cable: Exactly. That is the point that I made, and I am grateful for the clarification.

It is to the Government's credit that they have acknowledged the problems arising from the case and are now discussing a sunset clause. There is a debate to be had about what a realistic period is. The Government propose 10 months, and I think that the Conservatives have proposed until the end of March. It is difficult to see how a Select Committee could do a proper review or both Houses could take a proper approach to the review of legislation by the end of March.

Equally, though, one should not overestimate how much time such things take. Reviews can run concurrently rather than consecutively, and the hon. Member for Hendon (Mr. Dismore) helpfully suggested that his Committee works fast. We are not at all persuaded that 31 July is too far away for a proper scrutiny of legislation with proper debate and all the necessary stages in Parliament.

In conclusion, problems arise when legislation is introduced very rapidly on a 24-hour basis. Long before I got involved in politics—in the year I got married, which was just over 40 years ago—my wife and I discovered while we were making wedding preparations that her family and most of our friends who were British subjects were being declared stateless by the British Parliament, because they happened to be east African Asians. On the basis of a panic and "facts" that subsequently turned out to be wholly incorrect, they were, in effect, systematically stripped of their British citizenship.

That was not the first case of fast-track legislation, and the Bill before us will not be the last, but we must learn from experience that legislation taken in great haste and panic is often very bad legislation. Liberty's evidence on emergency legislation to the Constitutional Committee sums up not just the Commonwealth Immigrants Act 1968 but the Bill perfectly:

"When legislation is introduced into Parliament and passed within a few weeks or even days it is impossible for Parliament fully to analyse and debate the proposals put before it. It is also extremely difficult for NGOs and civil society to have the time to examine the proposals and brief parliamentarians on the likely impact…Legislation drafted in haste will inevitably contain errors, be they minor or more substantial. Even more worryingly, the policy behind such legislation will at best be ill-thought out and at worst may be motivated by political objectives to be 'seen' to be responding to an event or judgment."

That is exactly where we are today.

6.36 pm

Mr. Neil Gerrard (Walthamstow) (Lab): It is good that for the first time, we are debating what is in the orders, at least to some extent. It has been mentioned that we should have had an opportunity to do so before now. I recall from the passage of the Counter-Terrorism Act 2008 that that Bill included a section dealing with asset-freezing orders and some aspects of how they could be challenged. The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) and I tabled some amendments that would have permitted us to debate those clauses, but as so often happens on Report, as a result of the timetabling motion, our amendments were never reached, so no debate on the orders ever took place.

What we are being asked to do today is to overturn the Supreme Court's decision. It is important to recognise that that does not simply involve dealing with a technical error. The Supreme Court did not overturn the orders on a technical issue; it quashed them in strong language, as was pointed out. In this emergency legislation, we are effectively bringing into law orders that were quashed by the Supreme Court in strong language.

It is interesting to read the retrospective bits in the Bill. One will protect the banks during the period from the Supreme Court's decision to Royal Assent. What would the position be of somebody who gave money during that period to someone who was subject to a freezing order? Would they have any protection?

The orders put into effect UN Security Council resolution 1373, which concerns preventing and suppressing the financing of terrorist acts and criminalising

"the wilful provision or collection…of funds…with the intention that the funds should be used…to carry out terrorist acts".

We used the United Nations Act 1946 to bring the orders into force. They allowed the Treasury to designate individuals against whom measures should be taken, and the Bill will keep them in force. It then becomes a criminal offence for any person to make available any funds—there is no de minimis level—to the designated person. Licences are granted to allow the designated person to receive payments for their daily living expenses, but the operation of those licences has been such that those people and their families have had to produce detailed accounts for the Treasury of every penny that they have spent.

I hope that, when we eventually debate the draft Bill after it has been published, we will look into the need for a requirement to consider whether there is evidence that could lead to a prosecution before using the designation mechanism. As it stands, there is no necessity to establish a connection between the designation and any suspicion of involvement in terrorist activity.

The description of the orders as "draconian" by the Supreme Court has already been mentioned, as has their effect on the individuals concerned. Sometimes, their effects have been quite astonishing. For instance, in 2008, some people who were the subject of these orders wrote to the Treasury to ask whether it was permissible under the orders to buy new boots, trainers and shoes. The Treasury responded that this raised complex issues about what constituted a basic expense as opposed to an extraordinary expense, and that these were matters for which ministerial approval would be required. That was the extent to which the orders were impinging on the lives of the individuals who were subject to them.

Mr. Syms: Under the legislation, no one is allowed to give economic assistance to someone placed under such an order. That leaves the individual or family totally dependent on the regime that the Treasury has set up. Anyone who gives such assistance is at risk of becoming the subject of an order themselves.

Mr. Gerrard: Absolutely; it is a criminal offence to give such assistance.

There were queries about whether paying for an Oyster card or allowing someone to borrow a car would constitute giving them economic assistance. There was constant correspondence between the solicitors representing those individuals and the Treasury to try to determine exactly where the boundaries of the orders lay. Any new legislation must ensure that there is absolute clarity on what people are permitted to do while under designation, and on what constitutes a criminal offence.

The important issue of the basis on which people are designated—the ground of reasonable suspicion—has been raised a number of times. Lord Brown said in another case in which he was discussing this standard of proof:

> "To suspect something to be so is by no means to believe it to be so; it is to believe only that it may be so".

We are talking about a very low standard of proof. In quashing the order, the Supreme Court judges' statements made that clear. Some of the arguments in this debate have suggested that the Supreme Court's reasons related to the use of the United Nations Act 1946. I suggest that there is far more to it than that.

Mr. Hogg: The hon. Gentleman is making an interesting point about reasonable suspicion. Perhaps he will accept this analogy. Police officers can arrest on reasonable suspicion, but a charge requires a much higher level of proof, and a conviction requires a yet higher one. In other words, the ground of reasonable suspicion is right at the lowest level of the hierarchy.

Mr. Gerrard: That is clearly the case, and that is why I am worried about the use of reasonable suspicion in imposing sanctions on individuals. We could be dealing with people about whom, yes, there might be a suspicion, but there is no proof. That is an important distinction.

In dealing with the question of reasonable suspicion, the Supreme Court had quite a lot to say. Lord Hope said that Security Council resolution 1373 was not phrased in terms of reasonable suspicion. He said that it referred to persons who

> "commit, or attempt to commit, terrorist acts".

He said that transposition of the direction into domestic law raised questions about what was necessary or expedient. He clearly said:

> "It was not necessary to introduce the reasonable suspicion test in order to reproduce what the Security Council resolution requires."

That was echoed in comments made by the other Supreme Court judges.

The Bill will bring in temporary legislation that will be in place for a few months at most. The draft Bill, which has been published, will produce more permanent legislation. We are not here this evening to debate the draft Bill, but it is important that it should be debated in great detail at the appropriate time, and that the issues that we have debated to some degree today—reasonable suspicion, safeguards and the appeals system, for example—should be thoroughly considered when the draft Bill is debated.

This Bill will clearly go through this evening, but I would not want it to be followed by a rush to permanent legislation. That is what would happen if we tried to get the legislation in place by 31 March. Whatever permanent legislation we introduce must be thoroughly examined. It has been pointed out endlessly today that one of the failings of the process has been that the orders were never scrutinised by Parliament in the first place. We should not make a similar mistake when introducing the permanent legislation that will follow these measures. We should not try to push it through in a hurry without proper pre-legislative scrutiny, without proper examination by a Bill Committee, or without a decent debate on Report and in the other place.

It is important to include a sunset clause in the Bill. Legislation such as this, which does virtually nothing except overturn a Supreme Court ruling—it is retrospective legislation in many ways—must be put in place only on a temporary basis. It is also important that the House should leave itself reasonable time to get the permanent legislation in place. I would certainly not be happy with any attempt to rush it through before 31 March, because that would not give us enough time. Nor am I convinced that legislation of this nature would best be dealt with in the first weeks of a new Parliament. I am therefore not unhappy with the sunset clause as it stands, because it is desperately important to give this whole matter the thorough examination that it simply has not had so far.

6.48 pm

Mr. Robert Syms (Poole) (Con): The challenge to strike a balance between fighting against terrorism, which we all know to be a major threat, and preserving our freedoms is one of the most difficult that the House faces. Some years ago, I was on a delegation to Russia. We were guests of the Duma, and we talked to a number of its members a short while after the Beslan outrage in which a number of children were taken hostage. The Russians asked us how we got the balance right, and I do not think that any of the British parliamentarians could say, hand on heart, that they were sure that we had ever done so.

Throughout the years when we were dealing with IRA terrorism and, more recently, as we have tried to deal with the worldwide problem, it has been difficult to strike the right balance. It is clear, however, that there is a better chance of doing so if we in Parliament—here and in the other place—have proper debates on these matters. Sometimes, we have legislated in haste, for understandable reasons, and have not got the resulting legislation entirely correct. In other areas of legislation, such as the legislation to enable local government to fight terrorism in various ways, the law of unintended consequences has come into play. Legislation passed through this House very quickly—probably under a guillotine—was used for outturns and objectives that Parliament did not intend. It is a pity that we are back today because the Government did not originally introduce a Bill to overturn the Supreme Court ruling.

The Supreme Court has not been going that long, and I suspect that there will always be some tensions between such a body and Parliament. Nevertheless, given its short history, it is a pity that we are already having to legislate to change its decision. As hon. Members have said, that decision was well considered and the judgments raised some important concerns. As I am not a lawyer, I will not go into those tonight.

When we are fighting terrorism, we have to act quickly and, yes, cutting off funds is an important component. However, we must also have a regime that is fair. As is the nature of things, reasonable suspicion is—as we have heard—a relatively low test. The world being as it is, sometimes we get the wrong person. People can end up caught in web without being involved in terrorism, but these proposals are so draconian that that would have a major impact on their family life.

Mr. Hogg: That is an interesting point, because one only has to ask oneself what review mechanism is available for the person caught in the web. All the Government would have to do is satisfy the court that there was reasonable suspicion that the person was involved in terrorism, not that actual evidence existed of that involvement. It would be very difficult for a suspected person to challenge the finding of the Treasury.

Mr. Syms: Of course that would be very difficult. One suspects that some of these individuals are not necessarily wealthy or well-connected people. If the Treasury set up a regime in which these people had only a limited amount of money to live on and they were not allowed economic assistance, going to the courts would not be a realistic option in many cases, even allowing for what the Chief Secretary said earlier about recourse to legal aid.

Mr. Gummer: Does my hon. Friend agree that the fundamental problem is that if one makes a mistake in this area and an innocent person is affected, it would be a real affront to justice? That person could carry that scar for the rest of his life. Unless there is a proper way to challenge the provisions, we could end up doing the terrorists' work for them.

Mr. Syms: Clearly, if some of the orders are centred on certain communities, that could be the effect. People could feel that they were being picked on. The important point to note is that it is very difficult to deny that you are a terrorist, if someone else has reasonable suspicion of that. How do you prove you are not a terrorist? A judicial review would look at the process that the Minister went through and whether it had legislative support: it would not look at the justice of the case. Even with rushed legislation, I cannot see why it cannot include some form of appeal process. It would not have to involve the whole court system, as it could be a judge sitting in a room somewhere who looked at the evidence and came to a view.

In the House, we have just been through a process—difficult for many—in which we had Sir Thomas Legg looking at our expenses and then a judge providing an appeal process. In this area, which will involve very difficult issues, I cannot see why a judge could not be appointed to consider the information available from the point of view of natural justice and to come to a speedy decision. Why go through the expense of a judicial review that may not even lead to justice?

Mr. Hogg: Although the model of special counsel is in no sense ideal—many aspects of that regime are easy to criticise—such a process provides a limited redress.

Mr. Syms: What we have to consider is not only the broader picture of protecting our constituents, but the innocent man, woman or family caught in this situation, who then find that they have no easy way to get out of it. They may be caught for years in this dreadful situation with no ombudsman to help. I joked earlier about whether being subject to one of these orders might have an impact on someone's Experian credit status, but in reality, someone's life could be totally ruined by being subject to one of these orders.

If we believe that it is right, in the fight against terrorism, to use draconian powers against UK citizens in this way, we must have a system of redress and appeal. Otherwise, natural justice would be offended, and that does the fight against terrorism a disservice. However rushed this legislation, we must consider the process of appeal and the possible impact on individuals' lives. Some innocent people will be caught by this legislation, and we have to bear them and their families in mind.

6.57 pm

Mr. Andrew Dismore (Hendon) (Lab): Unfortunately, there has not been an opportunity for the Joint Committee on Human Rights—or anyone else, for that matter—to scrutinise the emergency legislation from a human rights point of view. That is ironic in view of the Supreme Court's reasons for quashing the order—that asset-freezing measures with a dramatic effect on individuals' fundamental rights had been made by Executive order without

parliamentary scrutiny. It is not clear to me whether the lack of opportunity for the Joint Committee to scrutinise the Bill is the fault of the Government or of the Supreme Court. It is probably a mixture of both.

Personally, I would have preferred it if the Supreme Court decision had been postponed for a while, as suggested by Lord Hope, to provide at least some opportunity for parliamentary scrutiny of the emergency legislation's compatibility with fundamental rights. It looks as though the Supreme Court's order has deprived Parliament of the opportunity to scrutinise the legislation from the human rights point of view, by refusing to postpone the coming into force of that order. In that respect, Lord Hope's dissenting judgment looks a little more persuasive. My Committee has a good record of carrying out such scrutiny quickly. The last time was on the anonymity of witnesses emergency legislation. We produced that report extremely quickly, and we could have done so in this context too, in just a few days.

One further complication is whether we would have been able anyway to scrutinise properly the Bill's compatibility with the Human Rights Act, in light of the al-Jedda judgment. That is an open question, because the judgment is going to the European Court of Human Rights for determination. The al-Jedda judgment said that UN obligations trump any domestic human rights treaty obligations—in this context, the European convention on human rights and, I suppose, the Human Rights Act. However, we would have been able to scrutinise the legislation for compatibility with common-law fundamental principles, which it might also offend. Another interesting question is whether this emergency legislation, or the draft legislation that has been published, will in due course attract a certificate of incompatibility. That may test the lawyers in the light of the al-Jedda judgment.

Last March, the Secretary of State for Justice spoke at a public lecture, I believe at Clifford Chance, and said that the time had probably come to revisit the breadth of our counter-terrorism laws. This episode illustrates why that is necessary. What has happened recently in the challenges to control orders, the AF judgment and now the latest judgment illustrates the importance of such an overall review of our counter-terrorism laws to ensure that we get things right in the first place.

There is no doubt that there is a human rights obligation to protect the public from the threat of terrorism, but one of my concerns is that the House never gets an opportunity to scrutinise that threat properly. The director-general of the Security Service is happy to make speeches to the Society of Editors and answer journalists' questions, and to speak to other learned bodies, but he is not prepared to make the same speech and answer questions before a Committee of the House of Commons or a Joint Committee such as my own.

There is no doubt that it is right and proper to freeze terrorist assets, but it should be done justly and fairly. We are not talking about a huge amount of money—£150,000, which is probably only a fraction of the amount spent on lawyers to argue about the matter; it is probably less than a tenth of that amount. The judgment that I mentioned concerned five men whom the Treasury suspects of involvement in financing terrorism. It is important to note that none of the men has been charged with, let alone convicted of, terrorist financing or, as I understand it, any other terrorist offence.

We have heard about UN Security Council resolution 1373, which obliges us to act to freeze the funds of

"persons who commit, or attempt to commit, terrorist acts".

It makes no mention of freezing the assets of those only suspected of involvement in financing terrorism. We should examine our terrorism laws in that context. We have a very broad definition of terrorism, going way beyond that of the UN. We also have an enormous range of terrorism offences, which I suspect is more broad than anywhere else in the world—it is certainly in the top bracket—but even in that context none of the individuals involved has been charged with or convicted of an offence. As we have heard, there is no provision for them to challenge the basis on which they have been suspected of involvement. I shall say a little more about judicial review later.

It is worth repeating some of what was said by the Supreme Court. Lord Hope stated:

"It is no exaggeration to say...that designated persons are effectively prisoners of the state...their freedom of movement is severely restricted without access to funds or other economic resources, and the effect on both them and their families can be devastating."

He stated that the orders

"strike at the very heart of the individual's basic right to live his own life as he chooses".

Lord Brown stated:

"The draconian nature of the regime imposed under these asset-freezing orders can hardly be over-stated."

To return to my point about resolution 1373, Lord Phillips stated that it

"nowhere requires, expressly or by implication, the freezing of the assets of those who are merely suspected...Even if the test were that of reasonable suspicion, the result would almost inevitably be that some who were subjected to freezing orders were not guilty of the offences of which they were reasonably suspected. The consequences of a freezing order, not merely on the enjoyment of property, but upon the enjoyment of private and family life are dire."

We have already heard about the comparisons with other common-law countries, but the real problem is the contradiction with our own basic fundamental principles of the common law. There is no doubt that if this were a Human Rights Act case—because of the al-Jedda case we do not know whether it is—the right to property under article 1 of the first protocol of the European convention on human rights, the right to respect for the family and private life under article 8 and the right of access to the court, protected both by common law and article 6, would be engaged. That prompts the question whether the law before us, in the current emergency legislation or in its final version, will give rise to a certificate of incompatibility under a further legal challenge. Lord Phillips commented:

"Access to a court to protect one's rights is the foundation of the rule of law",

and that is not provided for in the Bill. Lord Hope concluded:

"The consequences of the Orders that were made in this case are so drastic and so oppressive that we must be just as alert to see that the coercive action that the Treasury have taken really is within the powers that the 1946 Act has given them."

That was why the Supreme Court ultimately quashed the orders.

[Mr. Andrew Dismore]

We will obviously have to have further primary legislation, but we must consider whether it is needed. We heard from the hon. Member for Twickenham (Dr. Cable) a long list of laws that we already have which could deal with the matter. The Chief Secretary said that they apply only to foreign cases, but we have heard no evidence today about how many of the people currently subjected to the orders in question are exclusively in the foreign domain and how many would therefore be caught by the existing laws. When the Exchequer Secretary responds, it would be helpful if she could say whether it is true to say that none of those cases could have been dealt with under the Anti-terrorism, Crime and Security Act 2001 for jurisdiction reasons, never mind for raisons d'état. Lord Rodger stated that

"the harsh reality is that mistakes in designating will inevitably occur and, when they do, the individuals who are wrongly designated will find their funds and assets frozen and their lives disrupted".

We have heard about the sunset clause, which will come into effect on 31 December. That inevitably means that we are enacting retrospective criminal legislation, and I understand that we may be asked to do that again later this week in another matter, which I shall not go into. The notion of retrospective criminal legislation is always profoundly suspect in any democracy governed by the rule of law. Article 7 of the ECHR makes it clear:

"No one shall be held guilty of any criminal offence on account of any act or omission which did not constitute a criminal offence under national or international law at the time when it was committed."

The other problem with the sunset clause is that it will take us into the next Parliament. My hon. Friend the Member for Walthamstow (Mr. Gerrard) said that we do not have to rush permanent legislation through by 31 March, but having read the draft Bill, I believe that a couple of months would be sufficient to scrutinise it properly and take it through. This Parliament has gained considerable experience in scrutinising counter-terrorism legislation, as we have seen in the significant reductions in Government majorities on it as time has gone by. As Back Benchers have felt more concerned about what has been going on, they have become more confident about challenging some of the arguments advanced. A new Parliament, in which we understand at least a third of all Members will be new, may not have the confidence to challenge the new Government, whether Labour is returned or the Opposition win. That is why it is important that the matter should be dealt with in the existing Parliament. We have shown that we are prepared to stand up, for example on 42 days.

The question is whether the new legislation will move us closer to compliance with Security Council resolution 1373. I do not believe that it will, because we will still have the grounds of reasonable suspicion for making orders, rather than the commission or attempted commission of terrorism acts. There will not be a right of appeal on the facts, and I take issue with the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) on that. He said in an intervention that all the Government would have to prove was that a Minister had acted on reasonable suspicion. That is not right, because on judicial review, the claimant, not the Government, would have to prove on the Wednesbury test that the Minister had acted in such an unreasonable way that no reasonable Minister could have concluded that there was reasonable suspicion of an offence having been committed. Let us remember that that is on the basis of the person concerned not even having a case against them in the first place.

A lot of the evidence will be closed, possibly through the special advocate procedure, and not open to the person involved. It might possibly be available through gisting, but certainly the whole case will not be available to them. If there were a case against them, the chances are that they would have been charged and prosecuted. The prospects of judicial review under the new legislation are a chimera, because it would be impossible to secure judicial review to challenge the basis on which orders are made. We have to have a proper judicial right of appeal, as with the decisions of Sir Thomas Legg, as the hon. Member for Poole (Mr. Syms) said. If we are entitled to have that right on the question of our expenses, surely people in the circumstances that we are discussing are entitled to have a similar procedure to challenge the freezing of all their funds and assets, no matter how small they may be. Judicial review is simply not a fair way of dealing with the issue.

We have heard about legal aid and living expenses being provided under the licensing regime. I challenged my right hon. Friend the Chief Secretary about how that could be appealed against, and he said that it could be challenged in court. Again, however, that would be under the same judicial review test. He gave the example of buying trainers or books, but do we seriously expect a vast amount of legal aid money to be wasted on a judicial review challenge about whether somebody is entitled to buy books or trainers for their kids? That would be the consequence of there not being a proper right of appeal, judicial or otherwise, on the facts of what has been decided, which cannot be fair or right.

Transparency is of course important, but let us remember that in most of these cases we will publish people's names. This is the first counter-terrorism judgment that I have read that names the individuals concerned. In other cases, people are called Mr. A or Mr. B or whatever—their anonymity is protected because they have not been convicted of any offences, and quite rightly. Those in the 14, 28, or 42-day cases have their anonymity protected, as do those subject to control orders, but those in the cases to which I have referred do not. It would be difficult to protect anonymity and achieve the object of the freezing order, but we need to think about some degree of confidentiality. It might be okay to tell the banks, but is it fair to broadcast it to the next-door neighbour?

There are many issues of fairness in the Bill. I suppose the Minister will say, "Well, this is determining a civil issue, not a criminal issue," but time and again that argument has been thrown out by the courts. Whether we like it or not, when it comes to counter-terrorism legislation, the courts determine criminal responsibility, which should be done using the criminal test.

I have grave doubts about the Bill. The right hon. and learned Member for Sleaford and North Hykeham mentioned the Joint Committee on Human Rights sixth report of 2003-04. That report was published before I was on the Committee, but I wholly agree with its endorsement of the recommendation of the Newton Committee

"that freezing orders for specific use against terrorism should be addressed in primary legislation".

I think we all agree with that, which I suppose is why we are here today. If that had been done at that time, we would not be here today and the matter would have been resolved long ago.

The Joint Committee report also states clearly that

"judicial review provides only a very limited protection against legislative orders of this kind".

I concur with that. The draft legislation that we will soon be debating simply does not provide the required safeguards. I say to my right hon. and hon. Friends on the Front Bench that I suspect that after the Joint Committee has scrutinised that Bill I will be making a similar speech, should I be re-elected.

7.12 pm

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): I will be fairly brief, because I know my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) and my hon. Friend the Member for Woking (Mr. Malins) want to speak and the winding-up speeches will start in about half an hour.

I begin by repeating what I said in the debate on the timetable motion: I accept that the Bill must pass and that it would be very unsatisfactory not to have such legislation in place, but I recognise that fact with an extremely heavy heart, because I deplore the process and what we are about to do. The Bill re-enacts the statutory instruments that were much criticised by the Supreme Court. We have been reminded by a number of right hon. and hon. Members as to the trenchancy of the criticisms of those orders made by, for example, Lord Hope.

The 2006 order went through without any parliamentary scrutiny at all. That is an extremely bad thing. We were told by the Chief Secretary to the Treasury that that was permitted by the 1946 Act, but that is not the view of Lord Hope, who said that that measure did not justify the insertion of the reasonable suspicion test. In any event, however, while the Act might have so permitted, it certainly did not require the passage of such measures by way of secondary legislation. What in fact we are doing today is simply re-enacting in primary legislation what was previously in secondary legislation that was deemed offensive in almost all its particulars by the Supreme Court.

It is worth reminding oneself of the scope of the 2006 order, which is being replicated in primary legislation. In the first place, the order creates quite serious criminal offences, which are punishable by a maximum of seven years. That is not trivial. Secondly and differently, to take up the point made by the hon. Member for Walthamstow (Mr. Gerrard), the designation of the person involved in terrorist activity simply involves the reasonable suspicion test, which is a very low standard of proof. In addition, there is no way of challenging that designation outside the judicial review mechanism. As I think everyone but the Chief Secretary recognises, the judicial review mechanism provides a very limited form of review.

One matter of concern to me is that the draft Bill that the House may be asked to consider in due course relies on judicial review as the only safeguard. I agree very strongly with the hon. Member for Hendon (Mr. Dismore), and indeed all others who have spoken, that there needs to be some way of reviewing the issue on the merits. The 2004 Joint Committee report echoes that point. Moreover, the freezing orders are extraordinarily wide in scope. So far as I am aware, having looked at both the draft Bill and the 2006 order, there is, aside from judicial review, absolutely no way in which the scope of the freezing order can be impugned.

I do not think that there is any good reason why proper safeguards should not have been written into the Bill. In fact, there are a number of models on which one could have drawn—pick them off the shelf! The special counsel procedure in control orders is a case in point. I very much dislike that process, but it is better than nothing. There is no point in the Government's arguing, "Well, we couldn't do that, because we thought we were going to win the case in the Supreme Court." That shows that they were jolly badly advised, because they did not win. Not only did they not win, but as the hon. Member for Twickenham (Dr. Cable) said, the orders were criticised with remarkable robustness by people whose role in life is generally to understate rather than overstate their views. The Government lost not only for legalistic reasons, but for reasons of substance: the Supreme Court thought that the powers given were too draconian.

That was also the view expressed in the 2001 report under the chairmanship of my right hon. and noble Friend Lord Newton of Braintree of the predecessors of the hon. Member for Hendon on the Joint Committee on Human Rights in 2004. The Government have been told time and again that such measures ought to be in primary legislation, not only because primary legislation is the proper vehicle, but because that process enables the House and others properly to review what is proper. On any view, therefore, what we are doing today is draconian.

The measure will last for a year or so, and the sunset clause is in place, which I welcome. I hope that my hon. Friends will forgive me if I dissent from them slightly, but I think that a March sunset is probably too soon, because this is a difficult area of law. I agree with whoever said that he did not want to see our rushing through new legislation that has not properly been considered. I am inclined to think, with some hesitation, that March is too soon, and that even July is too soon. My disposition, with a heavy heart, is to go for the timing in the sunset clause.

I will be happy to end my speech after this point, because I know that my right hon. Friend the Member for Suffolk, Coastal and my hon. Friend the Member for Woking want to speak. We are doing something that is pretty draconian. There is an essential rule in life that one must observe if one is a parliamentarian: all power given away is always, on occasion, abused. That is certain. From that follow two very important consequences. First, one gives away the minimum of power possible to the officers of the state. Secondly, where one must give power away, one must restrict the exercise of that power with proper constraints, reviews and appeals. Under this Bill we are falling foul of both propositions, and I deeply regret that fact.

7.19 pm

Mr. Humfrey Malins (Woking) (Con): I will be brief. I wish to make basically two points, both of which are relevant to the issues under discussion, but have a wider application.

[Mr. Humfrey Malins]

First, I shall say a few words about the importance of parliamentary scrutiny. Lord Hope referred in his judgment the other day to the importance of parliamentary scrutiny and the relationship between Parliament and the Executive—in short, to the ability of this House, through Back Benchers and Oppositions, to scrutinise what Governments are doing, whether in legislation, Orders in Council or whatever else.

I first entered this House 27 years ago. I believe that those 27 years have seen a diminution in our ability to hold the Executive to account and to scrutinise them properly and at length. The late Lord Weatherill, the famous Speaker, told me once that he kept a record of those speeches in this House that actually altered the course of events through the power of their arguments, and there were many in those days. Can you believe it, Mr. Deputy Speaker: speaker after speaker in this House arguing something, and the Government turning round at the end and saying, "They're right—we've lost the argument"? That is what I mean by parliamentary scrutiny. Compared with 25 or 30 years ago, we are impotent in this House when it comes to doing the job for which we were elected.

After parliamentary scrutiny, the next most important point I wish to mention concerns judicial remedy, which has been covered by many other speakers today. Designation and freezing orders are very serious matters indeed. They can have a real effect on a person's life, and not just in the short term, but in the long term. Over in the Council of Europe, which I attend from time to time, we discuss human rights. We have representatives from many different European countries, some of which have good records, some of which have bad records. A year or two ago, a Swiss lawyer, Dick Marty, brought up United Nations blacklists at the Committee on Legal Affairs and Human Rights, and we had a report on them. He told us what they were and what they meant. Through the United Nations, somebody could be put on a blacklist in relation to terrorist matters, and have their assets frozen and all the rest of it. He told us of a case in Switzerland where the restrictions were such that the person concerned could not leave his own canton, if that is another word for village.

Mr. Hogg: No, it means county.

Mr. Malins: My right hon. and learned Friend confirms that it means county.

The key point was this: what remedy did that man have in relation to that designation? The answer was none. We thought—and I think—that that was a disgrace. If we hand power to the Executive without giving the citizen a proper legal remedy—a right of appeal—we are not doing our duty. If we make a whole series of orders—designation orders, freezing orders and so on—that have such a dramatic impact on someone's life, do we as a Parliament not have a duty to ensure that we give that individual some hope of overturning them? Otherwise, what kind of world will we be living in?

My right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) and others have pointed out that judicial review is limited. The special advocate procedure is limited. However, we have to do something, because it would be terrible if, in years to come, we move further in the direction of the Executive being able to do something nasty against citizens, who then do not have the right to say to an independent judge, "Listen, this isn't fair. It's not just. Please overturn it." That is one of the most important factors in our election to this Parliament: we are here to speak up for those who are dealt with in such a way by the Executive that they are defenceless. It is our job to protect them and ensure that they are protected.

Judicial remedies and appeals, and parliamentary scrutiny are two important aspects of this debate. I would hope—but we have not got the time. Oh dear! I hoped we would have had time to explore those issues at some length over the coming months, to ensure the basic rights of our citizens.

7.24 pm

Mr. John Gummer (Suffolk, Coastal) (Con): Today we are discussing what is, in fact, the main purpose of being a Member of Parliament—that is, how the citizen is protected. The danger is that all necessary terrorism legislation can easily be the means by which citizens' freedoms are eroded. Over the past 250 years of legislation, the moments of most danger to the citizens have been those when we became most aware of the danger to the nation. That is a natural link. It is extremely difficult when we face the realities of terrorism to be as careful as we ought to be about the realities of individual freedom. Yet we are fighting terrorism in order to defend that freedom. That balance is therefore essential in the defence of freedom. We are not putting the one against the other: they are both part of the same effort.

That is why I would suggest to the Government that they have done themselves a disfavour by not using the House of Commons as the mechanism by which they ensure that that balance is achieved. The Government have spoken as if, somehow, using secondary legislation—or, indeed, no legislation at all—in order to carry through their requirements has been a necessary consequence of the terrorist threat. In fact, it should be the other way round: the terrorist threat should lead the Government to come to the House of Commons to debate the issues, to ensure that what they do can then be seen as proportionate and just.

That ought to be true in the highest way, but I suggest that it also needs to be true in a rather lower way. Two of my colleagues who have spoken are lawyers. I am not a lawyer. I do not much like the way the courts make law. Law ought to be made here, but if we make the law badly here, we will encourage judges in their increasing desire to make law themselves. Faced with bad law, I understand the anger, which is the only way I can refer to the language used by the Supreme Court—a phrase I dislike entirely. I understand the anger of those judges, who saw that what they were dealing with was wholly contrary to their understanding of the demands of the common law. There is therefore a reason not only for the Government to take Parliament seriously in making such judgments for the bigger scene, but to ensure that the distinction between the purposes of the courts and the nature of Parliament is continued and supported, which is the other issue.

We also have to look carefully at the result of what we are doing today. I recently saw this connection in a wholly different way, but I have seen how, when organs

of government get the bit between their teeth, it is possible to act most unjustly in respect of individuals. What I have seen has seared my view, so I say this to the Exchequer Secretary, who is going to sum up this debate. One has to recognise that many of the people involved are at least innocent enough never to be charged. The figures are interesting, are they not? Of some 51 cases, 18 have been reviewed and dropped. The Treasury has suggested that that is a compliment to its review procedure, but one could think that it was a statement about the danger of the system, because it might be that those people should never have been on the list at all and that it is not the review procedure that should be praised, but the original decision that should be criticised.

Mr. Hogg: I hope that my right hon. Friend will forgive me for making a slightly legalistic point—I know he does not like lawyers very much—but if there had been a proper inter parte review, if he will forgive the phrase, the aggrieved party might have succeeded in many cases in which the Treasury has not reviewed the case in the person's favour.

Mr. Gummer: I entirely agree with my right hon. and learned Friend. That is what really worries me. I could not quite do the mathematics quickly enough, but if 18 cases have been reviewed, another 33 have not been reviewed—yet the people involved in them have not been charged. It is very dangerous to have 33 people subject to draconian punishment, when there has been no possibility for them to raise the issues in a way this House would see as reasonable for citizens of the United Kingdom.

Mr. Dismore: Another thing we do not know about the 18 cases that were reviewed is how long it took before the orders were lifted.

Mr. Gummer: The hon. Gentleman makes exactly the right comment, but that means that we are dealing with 51 people who, to any reasonable person, may have been subject to draconian punishment—I quote the judge in using that term—yet they may not be guilty at all.

I believe that Parliament must be very careful before making judgments based on an assumption that Ministers are decent people—I am sure that the Exchequer Secretary is decent and I am sure she will look at cases very carefully—who are therefore unlikely to get it wrong.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC) *rose—*

Mr. Gummer: Before I give way to the hon. Gentleman, let me say that I am a believer in the infallibility of the Pope, but it makes me extremely suspicious of the infallibility of anybody else. In that sense, I do not believe that Ministers are ever infallible. Parliament should never give to Ministers powers that depend on the degree of infallibility that a Bill like this one suggests.

Mr. Llwyd: The Government will always say that powers like this will be used strictly and only occasionally, but may I remind the right hon. Gentleman that, so far as is known, the Icelandic Government have never been involved in any terrorism, but their assets were frozen?

Mr. Gummer: I am not sure that I should be led down that path, Mr. Deputy Speaker, as it would be a chilly one and might lead me to receive complaints from you. I shall continue, rather, with the point that the system we are talking about today depends on a degree of omniscience on the part of Ministers that, having been a Minister myself for 16 years, I do not believe should ever be accorded to them.

Secondly, the system does not provide the transparency of a proper review that we would expect for ourselves. I say to the Ministers present this evening that they should look at this issue by putting a very simple question to themselves: would they like their sons or daughters to be subject to this order? Would they feel that their sons and daughters were able to have a proper consideration of their cases? It is no good thinking about people they do feel any connection with. This is the way for any Member to look at any legislation—how do we believe any particular legislation would treat someone whom we cared about?

That explains why I believe that aspects of this legislation are both intolerable and intolerant. The first is the use of reasonable suspicion as a test. It is a proper test of deciding whether Mr. Jones on the street can properly be brought into the police station for further consideration of some event that has taken place. It is a proper test for beginning a process, but it is not a proper test for ending a process. That is why it is unacceptable.

Secondly, this is not a proper test for a Minister to use, because what will the Minister do when a group of superior people come in and say, "Minister, better not say no to this, because whereas if you get it wrong and do something unhappy to an individual, it will not serve you too badly, if you get it wrong and let the individual free of these restrictions, you may find yourself in trouble"?

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): I cannot sit here and listen to that. I assure the right hon. Gentleman that Treasury officials in no way make remarks like that to me when I make these designations, and I am sure that they have not done so to previous Exchequer Secretaries either.

Mr. Gummer: Let me just say to the hon. Lady that they will not put it as boldly as I do because they are all very neat and charming, but what they always say to Ministers is, "Better not"—and if she has not understood that, I can well understand a number of the decisions that she has made. She has obviously not listened, because they always say, "Better not"—every one of them; it is part of the whole "Yes Minister" programme of indoctrination. Let me tell her that if she thinks anything other than that, I am even more worried about the situation we find ourselves in.

Mr. Hogg *rose—*

Mr. Gummer: Very rapidly.

Mr. Hogg: Very rapidly. My right hon. Friend and I were both Ministers for a long time and most of us had the reputation of being pretty robust, so let me say that my right hon. Friend is right.

Mr. Gummer: I therefore have to tell the hon. Lady that "reasonable suspicion" is a dangerous thing to be put in the hands of any Minister. If I were her, I would

[Mr. Gummer]

refuse it, because it puts her into an impossible position, which she should, in all honour, refuse. Even if she accepts this when there is no appeal against her, she might find that judicial review reveals that she has been unreasonable and that she should not have made that decision, as any fool can see. *[Interruption.]* It is all very well for the Exchequer Secretary to laugh, but we are talking about the basic rights and freedoms of Her Majesty's subjects, which is no laughing matter.

Some of us have sat in this House, as I have, for 35 years, and I have always thought that my first priority was the defence of the freedom of Her Majesty's subjects. This Government have done more to bypass Parliament and more to restrict the opportunities of MPs to stand up for the freedom of their constituents than any previous Government. Lord Liverpool would have been proud of them, which is about the most insulting thing any historian could say of the present Government. The fact that Lord Liverpool was a Conservative shows just how independent I am on this issue.

I end by saying that we rarely have an opportunity to argue about the basis on which we are here. The fact that there are so few of us in our places to debate this particular issue is itself something that speaks volumes. Although the Government have received no support whatever for the basis on which they have proceeded, we know that they will take no notice whatever of the words spoken on all sides of the House. That is the real criticism of this Government.

Jacqui Smith *rose—*

Mr. Gummer: No, I will not give way—certainly not to the right hon. Lady who of all people has done more than almost anyone else to press forward this Government's opposition to Parliament. I merely point out to you, Mr. Deputy Speaker, that this is too serious a matter for the Government to refuse to listen to Parliament, but I have no doubt that they will still refuse to do so.

7.39 pm

Mr. David Gauke (South-West Hertfordshire) (Con): It is a pleasure to wind up this Second Reading debate on a matter of great importance, which, as we have heard during this evening's debate, excites great interest and passion. It is vital for Parliament to address issues of protecting the liberty of the individual and national security. A number of contributors to the debate have highlighted the nature of the legislation and of the orders passed under the United Nations Act 1946. The Supreme Court described the legislation as "draconian", "drastic", "oppressive", "burdensome" and "paralysing", and a number of right hon. and hon. Members have highlighted its imposition—I refer particularly to the comments of my hon. Friend the Member for Poole (Mr. Syms), my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) and my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer). In addressing terrorism, however, it is important that we deal with the freezing of assets and prevent the financial system from being used to perpetrate terrorist acts. That is a huge issue for any Parliament to address—the key point about the Supreme Court ruling is that the matter is for Parliament to address. My hon. Friend the Member for Woking (Mr. Malins) pointed out the important role of Parliament in that regard. We are therefore grateful to have the opportunity to debate the matter today.

The Opposition's view is that without the Bill we would take a substantial risk that assets of suspected terrorists that are currently frozen would be accessed, which might ultimately lead to terrorist activities. I note that the Liberal Democrats have withheld their position on whether they will support the Bill's Second Reading. In referring to Lord Hope, the hon. Member for Cambridge (David Howarth) made the point that all the orders made under the United Nations Act 1946 could have been dealt with under the Anti-terrorism, Crime and Security Act 2001. However, there is a risk that that might not work, and for those reasons we will support the Bill. I would be surprised if the Liberal Democrats opposed it.

In part at least, we support the Bill because of the situation we find ourselves in. We are where we are. There are two significant concerns about how we got into that position. First, by passing orders under the United Nations Act, the Government were taking a risk that at some point the existing legislation would be invalid, and that suspected terrorists would no longer have their assets frozen unless exceptional action, such as emergency legislation, was taken. The right hon. Member for Redditch (Jacqui Smith), who speaks with the experience of having been Home Secretary, said that we cannot pass a new Act every time we are brought to court—that would fill up the legislative timetable. However, this is an important matter, of fundamental liberties, and surely the Government should have addressed it more quickly.

However, it is a question not just of legality. The second concern is that Parliament has been bypassed. Parliament should have been involved in determining the relevant orders. That is the essence of the Supreme Court's decision. Consequently, the Government can be criticised for doing neither what was constitutionally necessary nor what was constitutionally right.

My hon. Friend the Member for Fareham (Mr. Hoban) set out in forensic detail the warnings that reliance on section 1 of the United Nations Act 1946 was an uncertain basis for the Government's asset-freezing regime. Before the regime was brought in, the Foreign Affairs Committee report of 1999 on Sierra Leone recommended that the United Nations Act should have been amended so that delegated legislation made under section 1 was, at least subject to the affirmative procedure, which would have given Parliament some opportunity to debate the matters. In 2003, the Newton committee report recommended that

"freezing orders for specific use against terrorism should be addressed again in primary legislation, based on the well-tested provisions of the Terrorism (United Nations Measures) Order 2001".

That view was endorsed by the Joint Committee on Human Rights later that year. There have also been international comparisons: the likes of Australia and New Zealand initially made orders under their equivalents of the United Nations Act but then brought in primary legislation that dealt specifically with such matters. In this case, the High Court found against the Government in April 2008—yes, the Court of Appeal overturned it, but the judgment was partially dissenting.

The Government cannot claim a lack of parliamentary time or opportunity to address the matters properly in primary legislation. After all, the Anti-terrorism, Crime and Security Act 2001 and the Counter-Terrorism Act 2008 were opportunities to address the matter properly and prevent the situation in which we find ourselves today. There has been a constituent failure to permit Parliament to consider the issues through primary legislation. A number of right hon. and hon. Members, most passionately my right hon. Friend the Member for Suffolk, Coastal, made the case that the Government have ignored Parliament; they have not taken it seriously. As my hon. Friend the Member for Fareham pointed out, as recently as Thursday the Government broke their undertaking on parliamentary scrutiny in respect of opt-ins under the European Union (Amendment) Act 2008. It is worth quoting what the hon. Member for Birmingham, Edgbaston (Ms Stuart), a Government Back Bencher, said on the matter last week, 4 February, at column 459:

"we again find that Parliament is just some irritating thing that has somehow to be dealt with."—[*Official Report*, 4 February 2010; Vol. 505, c. 459.]

That describes the Government's approach to asset freezing all along, until the Supreme Court stepped in and said that it was necessary for Parliament to address the matter.

The Government have prevented Parliament from reviewing the legislation and making its voice heard for some years. Even in the Bill, they continue that practice through the sunset clause, which kicks the issue, if not into the long grass, at least beyond the next general election. It is perhaps not surprising, given comments on both sides of the House, not least from Government Back Benchers the hon. Members for Walthamstow (Mr. Gerrard) and for Hendon (Mr. Dismore) in opposition to some of the details of the Bill, that the Government do not want to bring the matter back to the House this side of a general election. It was, of course, the Government's intention to do so less than a week ago—it was striking that the Chief Secretary said that it would clearly be better to allow time. Indeed, the very reason that the Treasury applied to the Supreme Court for a stay was to allow the Government the opportunity to get the legislation through in the next two months. We could still do that—we could pass the Bill today and come back during the next few weeks to scrutinise and debate a full Bill, as was the Government's intention until very recently.

The fact that the Government have been reduced to this situation demonstrates that if one ignores Parliament too long, and fails to show Parliament respect, eventually our constitution balances itself and Parliament's voice is heard. It is a pity that the Government took such risks that emergency legislation had to be rushed through the House.

7.49 pm

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): This has been an interesting debate on an issue which—as the debate has revealed—is difficult and significant. I welcome the Conservatives' support for the Bill, and hope that the Liberal Democrats will support it, as well, given the severe consequences to national security—described so eloquently by my right hon. Friend the Member for Redditch (Jacqui Smith)—if it is not passed.

The threat to the United Kingdom today from international terrorism is real and significant. We know that terrorists need finance to carry out attacks. As we have seen, the cost need not be great, but terrorists also need finance to maintain their infrastructure, for training, equipment and recruitment, and to promote their ideology. Their capabilities are severely constrained if they have no access to funds. Over the years, the asset-freezing regime has proved to be a valuable tool for disrupting and preventing terrorist financing.

Our aim is to prevent a gap in the asset-freezing regime, and to ensure that frozen funds cannot be unfrozen and diverted and used for terrorist purposes, and that suspected terrorists do not gain free access to the United Kingdom's system. We consider it necessary to the UK's national security to act swiftly to maintain the asset-freezing regime under Orders in Council on a temporary basis while we table further legislation introducing a terrorist asset-freezing regime to primary legislation, allowing time for Parliament to scrutinise our proposals fully.

I welcomed the many and varied points raised by Members, and, in the time available, I shall do my utmost to address them. Let me deal with the major points first. Many Members asked why primary legislation had not frozen the assets at the outset. Orders in Council made under the United Nations Act have proved an accepted way for successive Governments, regardless of party, to give effect to UN Security Council resolutions. The intention of the provision is to ensure that the UK can swiftly implement its UN obligations in respect of matters affecting international peace and security.

By making Orders in Council under the UN Act, we were able to establish our terrorist asset-freezing regime in law within 12 days of UN Security Council Resolution 1373. I am sure Members will understand why rapid action was necessary to deal with terrorist finance in the weeks after 9/11. We continued to believe that the use of Orders in Council under the UN Act was the right approach, and was consistent with the way in which previous Governments had given effect to UN Security Council resolutions.

Some Members—including the hon. Members for Fareham (Mr. Hoban) and for Poole (Mr. Syms)—have asked why we did not use primary legislation once we knew, after the High Court ruling in 2008, that the orders were potentially vulnerable. We concluded that it was right to see the legal process through to the end, in order to be clear about the proper use of the UN Act and the way in which it applied to the orders in question.

David Howarth: Will the Minister give way?

Sarah McCarthy-Fry: I will not. I am sorry.

As Members will know, although the Supreme Court ruled that the Terrorism (United Nations Measures) Order 2006 and article 3(1)(b) of the Al-Qaida and Taliban (United Nations Measures) Order 2006 had gone beyond the scope of the UN Act, the Court of Appeal upheld the Government's position.

Other Members referred to the sunset clause. We think that waiting until the end of the year allows enough time for pre-legislative scrutiny and legislative scrutiny. Some Members agreed, while others did not. I look forward to the debate on the amendments tabled in Committee.

[Sarah McCarthy-Fry]

The UK's terrorist asset-freezing regime has been in place since 2001. These are not new powers, and the regime has been tested operationally and been improved over the years. In 2007, the UK's asset-freezing regime was judged by the financial action task force to be fully compliant with international standards. Ours was the first country to be awarded that top mark. Since then, we have improved the regime further through the Terrorism (United Nations Measures) Order 2009. It includes improved safeguards, such as the requirement that designations can only be necessary for public protection, and that asset freezes are time-limited to a renewable period of 12 months. Let me re-emphasise that the Supreme Court has not found the regime to be contrary to human rights, or to contain inadequate safeguards.

David Howarth: Will the Minister give way?

Sarah McCarthy-Fry: I will in a moment.

The court struck the orders down purely on the grounds that they went beyond the scope of the UN Act. The hon. Member for Cambridge (David Howarth), the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg), my hon. Friend the Member for Walthamstow (Mr. Gerrard) and others quoted what was said by the Supreme Court judges. Lord Brown said:

"I am unimpressed by the alternative grounds on which the Order is challenged, those of certainty and proportionality. Primary legislation introducing this same asset-freezing regime could not have been declared incompatible on those grounds."

Lord Mance, with whom Lord Phillips agreed, said:

"I am at present also unpersuaded that the content of the Orders could be challenged on grounds of lack of proportionality",

although he did say that he need express no final view.

David Howarth: The crucial point that the Minister seems to have missed, which was mentioned by both the hon. Member for Hendon (Mr. Dismore) and me, is that the Supreme Court thought that because of the al-Jedda case it could not consider the human rights position. The point is not that it was finding in favour of the Government, but that it could not consider the issue at all.

Sarah McCarthy-Fry: I do not think that that is the argument advanced by one of the judges.

Let me deal with a point raised by the hon. Member for Twickenham (Dr. Cable). Why do we not use other existing counter-terrorism legislation? It has been suggested that counter-terrorism legislation is already in place, and that we should use those powers rather than introducing asset freezing. We have a comprehensive framework to counter financing of terrorism, but none of the other legislation replicates the effects of the asset-freezing regime under the terrorism orders in its preventive nature and in its ability to restrict suspected terrorists' access to the financial system. Furthermore, no other legislation contains such a comprehensive range of prohibitions on third parties' making funds available to terrorist suspects, such prohibitions being essential to preventing terrorists from circumventing the restrictions and accessing funds.

Many members have asked why we do not use the powers under the Anti-terrorism, Crime and Security Act 2001. The powers under the Act only allow for action to be taken against threats emanating from outside the UK, and can only be used in very limited circumstances in relation to persons in the UK—when the Treasury has a reasonable suspicion that such persons have provided, or are likely to provide, assistance to the persons abroad who are posing the threat to the UK. That means that many of the individuals who are currently subject to asset freezing could not have been designated under this power, including those responsible for the attempted bombing on 21 July 2005. Anti-terrorism, Crime and Security Act freezes would therefore not be sufficient to protect our national security or to meet our UN obligations.

Control orders were mentioned. They do not freeze funds or introduce prohibition on third parties. Suspicious-activity reports under the Terrorism Act 2000 do not freeze funds; they merely delay payments. We cannot monitor spending. As for account-monitoring orders, again there are no prohibitions on third parties and funds cannot be frozen.

Our Terrorism Order 2009 sets out a number of safeguards to ensure that our powers are used proportionately. Designations can only be made when there is reasonable suspicion of involvement in terrorism, and when necessary, for public protection, and asset freezes are time limited to a 12-month period which is renewable. The Treasury actively reviews all cases, and—as the right hon. Member for Suffolk, Coastal (Mr. Gummer) pointed out—has frequently delisted people. Delistings may be due to an acquittal as a result of a decision by the Treasury that a designation is no longer in the interests of public protection. Let me give an example. In 2006, the assets of 19 persons linked to the transatlantic airline plot were frozen. Of those, seven have been delisted. Five were arrested and released without charge, one was convicted, sentenced and released, and one is awaiting trial. Twelve remain listed, 11 have been charged, seven have been convicted and three await trial. One trial has collapsed, and an urgent review is in progress.

The right hon. Member for Suffolk, Coastal also asked whether any Member present would want his or her son or daughter to be subject to these designations. I am sure that no Member would want that, but I am also sure that no Members would want a son or daughter to be a victim of a terrorist bomb or terrorist threat.

We believe in the importance of striking the right balance between protecting national security and protecting human rights. While it is true that the asset-freezing regime has an impact upon human rights, we consider this interference to be necessary in the interests of national security and public protection, and consider it proportionate to those ends.

Question put and agreed to.

Bill read a Second time; to stand committed to a Committee of the whole House (Order, this day).

Terrorist Asset-Freezing (Temporary Provisions) Bill

Considered in Committee (Order, this day).

[SYLVIA HEAL *in the Chair*]

Clause 1

TEMPORARY VALIDITY OF CERTAIN ORDERS IN COUNCIL

8 pm

Mr. Mark Hoban (Fareham) (Con): I beg to move amendment 1, page 1, line 3, leave out '31 December 2010'and insert '31 March 2010'.

The First Deputy Chairman of Ways and Means (Sylvia Heal): With this we may take amendment 2, line 2, leave out '31 December' and insert '31 July'.

Mr. Hoban: As I said on Second Reading, plan A had been to pass a terrorism (United Nations measures) Bill by no later than the end of March, in order to put the orders on a proper legislative footing. That plan was predicated on the Supreme Court granting the stay for which the Treasury had applied, so that Parliament could put in place the legislation needed to prevent terrorists from accessing their assets. It was on that basis that we entered into discussions with the Treasury and agreed what we felt would be sufficient time in this place and the other place to ensure that the Bill, and the views of external stakeholders interested in the process, could be thoroughly assessed so that the measures were put on to a proper footing. However, the Supreme Court's decision not to allow a stay because it would—to paraphrase the judgment—confer a sense of legality on orders that were illegal means that the emergency legislation before us today takes priority, and rightly so.

This does not mean that the Government are off the hook in terms of bringing forward a proper statutory basis for these orders. Indeed, we told the Exchequer Secretary last week that we would have been content for the Bill I mentioned to complete its stages today and for us to move on to consider the Terrorist Asset-Freezing (Temporary Provisions) Bill tomorrow, while also ensuring that after we returned from the recess, we would have a day on the Floor of the House in Committee. That Bill would then have passed to the other place where there would have been an opportunity for further scrutiny. The Bill would therefore have been on the statute book by no later than the end of March.

We have pursued that line through introducing amendment 1, as we believe that the Government should move as quickly as possible to put in place proper primary legislation. It seems to us that measures that were described in the Court ruling as draconian should not be kept in place for up to 10 months on the basis of a three-clause Bill that perpetuates some of the failings of the underlying orders. We believe that the Government should move more quickly so that they take responsibility for sorting out the mess they have created on their watch, rather than deferring any remedial measures until later this year.

There are some issues to be debated; we touched on a number of them on Second Reading. They include the need for proper safeguards to be in place, and the question of whether there should be a different safeguard from judicial review to look at the merits of Treasury applications. The hon. Member for Hendon (Mr. Dismore) commented on the limitations of judicial review as a potential remedy, such as the fact that it could not be used to vary the terms of a licence. These issues are well known and have been fairly thoroughly debated in the context of other legislation, and we believe they are sufficiently well known for scrutiny to take place far more quickly than under the Government's sunset clause. Indeed, the hon. Member for Hendon said that, given the brevity of the Bill, his Joint Committee on Human Rights could scrutinise the Bill and publish a report quite quickly; he thought it would take a matter of days. That is entirely consistent with the timetable that would flow from our proposed sunset clause. We took his comments as a positive sign, suggesting that we could pass this legislation on a much shorter-term sunset clause than the Government suggest.

The draft Bill published last week is based largely on the 2009 order. The issues in that regard have been well rehearsed over time, and a much wider range of issues will need to be raised. Again, therefore, all the arguments point towards having a shorter-term sunset clause than that which the Government propose—31 March rather than 31 December.

The Government's sunset clause suggests, of course, that the decision on future legislation will be put off until after the next general election. The hon. Member for Hendon made the point that the House will by then have lost a great deal of its current expertise, given that about a third of Members will leave this place at the next general election. Indeed, many of the Members who took part in the Second Reading debate will not be here the other side of the general election to add their expertise to the debates. That is an added reason to accelerate this process, so we can benefit from Parliament's collective memory and knowledge of the scrutiny of the raft of anti-terrorism Bills of the last few years.

There is a clear, straightforward argument here. Our amendment 1 provides plenty of time for proper scrutiny. We are following the timetable we agreed with the Government prior to the Supreme Court deciding to quash the orders last Thursday. We believed prior to that that the timetable gave sufficient time for proper parliamentary scrutiny. Our view is that that still holds, and that we should move towards that timetable to give this Government the opportunity to clear up the mess they have created.

David Howarth (Cambridge) (LD): First, let me say that it would have been better if we had dealt with all the amendments before us in one large group.

Amendment 1 is an attempt to introduce a stricter sunset clause. I can see the Government's point that the end of March is very soon and there is little likelihood of full consideration of the replacement Bill being made in that time, but there needs to be a tighter timetable than the one the Government propose, which is the end of December.

The Bill allows the continuation of a situation that the Supreme Court finds obnoxious in that it undermines fundamental rights. In the words of Lord Justice Sedley,

[David Howarth]

echoed by Lord Hope in the Supreme Court, the UN orders lead to a situation in which subjects of the Treasury's directions are, effectively, prisoners of the state; they are walking prisoners, of course, and two of them have walked away, but the restrictions are so tight, both on the subjects and their families, that, effectively, these people can no longer live their own lives. To echo what Winston Churchill said in 1943 about a situation in which the Executive could throw a man into prison, that is odious in the highest degree. It should not be allowed to continue one hour longer than is necessary. Our view, put forward in amendment 2, is that all the wider consultation and all the Committee consideration of the replacement Bill could be carried out before the election, and after the election it would be perfectly doable and adequate to complete all the stages of a replacement Bill by the summer recess—before the end of July.

When I was listening to the Minister, it suddenly occurred to me why the Government cannot accept our amendment—it is the reason that they cannot state: amendment 2 assumes that the election will be on 6 May or before. I accept that if this Parliament were to run its full course and the election were to be in early June, it could plausibly be argued that there would not be enough time to complete the passage of a replacement Bill by the end of July. I also accept that the Government will not admit in a Committee of the whole House on an emergency Bill what the date of the election will be—*[Interruption.]* Well, they might; it seems that Ministers are about to reveal the date. Of course the Secretary of State for Defence revealed it on television, but that was subsequently withdrawn.

Nevertheless, I draw the attention of Ministers to the briefing prepared by Justice, which has said that even assuming that the Parliament runs its full course it should be possible to get the replacement legislation through by the end of October. Thus, I am very open to the Government rethinking the December date in favour of an October one, even if they are unwilling to move to a July date, for obvious political reasons.

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): Obviously the purpose of both amendments is to reduce the period during which the temporary Bill will have effect. Our Bill provides for a date of 31 December, whereas the amendments propose two alternative dates—31 March and 31 July. I think that we are all agreed on the urgent need to get the long Bill on to the statute book as soon as possible, so the issue to address is how much time is needed to give the lasting legislation the proper level of scrutiny and debate. We believe that the lasting Bill deserves full deliberation in both Houses and that it should benefit from evidence and scrutiny provided by external bodies. The proposed date of 31 December provides for that, but the period up to 31 March does not. Given that the urgent need to legislate is resolved by this Bill, we think that the issues deserve more time for consideration so that we can be sure that the legislation is appropriate. If the debate and arguments put forward on Second Reading of this Bill are anything to go by, there will be a vigorous debate.

Using 31 July would provide more time and the option of pre-legislative scrutiny in the coming months. However, given the upcoming general election and recesses, it is not certain that such a date would provide time to scrutinise the long Bill properly. I have heard views from hon. Members on both sides of the House in favour of 31 December, as well as arguments in favour of 31 July —another date has also been proposed. I look forward to listening to any other arguments that are put forward, but I urge right hon. and hon. Members to reflect on the lasting benefits of permanent legislation. I really do not think that setting a close deadline helps, so I ask the hon. Members for Fareham (Mr. Hoban) and for Cambridge (David Howarth) not to press their amendments to a Division.

Mr. Hoban: What a difference a week makes, because a few days ago the Minister was happy to push the long Bill through and to reach the deadline of the end of March, and she did not really care that much about pre-legislative scrutiny and getting external voices in. Her approach was just to make sure that we got the Bill on to the statute book in good time.

In a way, the Supreme Court has perhaps given the Minister an opportunity to wriggle out of that, but the real argument is about the fact that to get the long Bill on to the statute book will take up two days of time in this place and three days of time in the House of Lords. Given that legislative time is disappearing because this Parliament is hurtling towards Dissolution, the Government cannot afford to give up that amount of time to put right the mistakes of their own creation. They need to put right the fact that they failed to put in place the primary legislation to give proper backing for these orders. The Government are hiding behind the excuse of wanting to give proper scrutiny to avoid time being taken up putting this Bill on to the statute book as soon as possible to give those orders the support that they need. That is why I wish to put amendment 1 to the vote. We need to send a clear signal from this Committee that we want to ensure that the mistakes committed by the Government are put right quickly. We believe that they can be put right quickly, with proper parliamentary scrutiny, by 31 March.

Question put, That the amendment be made.

The Committee divided: Ayes 125, Noes 307.

Division No. 73] **[8.15 pm**

AYES

Afriyie, Adam	Burt, Alistair
Ainsworth, Mr. Peter	Carswell, Mr. Douglas
Amess, Mr. David	Cash, Mr. William
Ancram, rh Mr. Michael	Clifton-Brown, Mr. Geoffrey
Arbuthnot, rh Mr. James	Comack, Sir Patrick
Atkinson, Mr. Peter	Crabb, Mr. Stephen
Bacon, Mr. Richard	Curry, rh Mr. David
Bellingham, Mr. Henry	Davies, David T.C. *(Monmouth)*
Benyon, Mr. Richard	Davies, Philip
Beresford, Sir Paul	Dodds, Mr. Nigel
Binley, Mr. Brian	Dorries, Nadine
Blunt, Mr. Crispin	Duddridge, James
Bone, Mr. Peter	Ellwood, Mr. Tobias
Boswell, Mr. Tim	Evans, Mr. Nigel
Bottomley, Peter	Evennett, Mr. David
Brady, Mr. Graham	Fabricant, Michael
Brazier, Mr. Julian	Francois, Mr. Mark
Brokenshire, James	Fraser, Christopher
Browning, Angela	Gale, Mr. Roger
Burns, Mr. Simon	Garnier, Mr. Edward
Burrowes, Mr. David	

Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greening, Justine
Greenway, Mr. John
Gummer, rh Mr. John
Hammond, Stephen
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Herbert, Nick
Hoban, Mr. Mark
Hollobone, Mr. Philip
Holloway, Mr. Adam
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Lait, Mrs. Jacqui
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Maclean, rh David
Malins, Mr. Humfrey
Mates, rh Mr. Michael
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Murrison, Dr. Andrew
Neill, Robert
O'Brien, Mr. Stephen
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, Mr. Keith
Smith, Chloe
Spelman, Mrs. Caroline
Spink, Bob
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Timpson, Mr. Edward
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Waterson, Mr. Nigel
Whittingdale, Mr. John
Wilshire, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Bill Wiggin and Mr. John Baron

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Baker, Norman
Balls, rh Ed
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Burnham, rh Andy
Burt, Lorely
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Farron, Tim
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Hemming, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Hesford, Stephen
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Hoey, Kate
Holmes, Paul
Hood, Mr. Jim
Hope, Phil
Hopkins, Kelvin
Horwood, Martin
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Hulme, Chris
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Malleber, Judy
Marsden, Mr. Gordon
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McGovern, Mr. Jim

McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oiner, Mr. Bill
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Robertson, John
Robinson, Mr. Geoffrey
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Straw, rh Mr. Jack
Stringer, Graham
Stunell, Andrew
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Dr. Desmond
Turner, Mr. Neil
Ussher, Kitty
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Kerry McCarthy

Question accordingly negatived.

Sarah McCarthy-Fry: I beg to move Government amendment 8, page 1, line 5, at end insert—

'(aa) the Terrorism (United Nations Measures) (Channel Islands) Order 2001 (S.I. 2001/3363), the Terrorism (United Nations Measures) (Isle of Man) Order 2001 (S.I. 2001/3364) and the Terrorism (United Nations Measures) (Overseas Territories) Order 2001 (S.I. 2001/3366);'

The First Deputy Chairman: With this we may take Government amendments 9 to 11.

8.30 pm

Sarah McCarthy-Fry: It is important that we maintain our terrorist asset-freezing regime not just in the UK, but for the Crown dependencies and overseas territories. Although the Orders in Council that apply to the Crown dependencies and overseas territories were not directly before the Supreme Court, they were also made under section 1 of the United Nations Act 1946 and are therefore vulnerable to being quashed. Amendment 8 therefore adds the Terrorism (United Nations Measures) (Channel Islands) Order 2001, the Terrorism (United Nations Measures) (Isle of Man) Order 2001 and the Terrorism (United Nations Measures) (Overseas Territories) Order 2001 to the list of orders that are validated by the Bill. If we do not make that change, we will leave the Crown dependencies and the overseas territories without a robust terrorist asset-freezing regime, and we would not fully meet our obligation under UN resolution 1373.

Amendments 9 and 10 validate decisions made by the authorities of the Isle of Man, the Channel Islands and the overseas territories by ensuring that it is not only decisions of the Treasury that are validated. The amendments are consequential to amendment 8. If we want the Isle of Man, the Channel Islands and the overseas territories to be covered, the amendments are also needed. Amendment 9 applies to decisions to issue a direction—that is to make a designation—and amendment 10 applies to decisions to grant a licence.

Amendment 11 is also a consequential amendment, which is necessary to implement the previous amendments. It extends the territorial scope of the Bill to the Crown dependencies and the overseas territories for their respective orders only.

Amendment agreed to.

David Howarth: I beg to move amendment 4, page 1, leave out lines 9 to 11 and insert—

'are declared to have the same legal force as primary legislation'.

The First Deputy Chairman: With this we may take the following: amendment 5, page 1, line 11, at end insert—

', but subject to the amendments made by section *[Amendments to the 2009 Order]*'.

Amendment 6, page 1, line 11, at end insert —

'( ) In section 63(1) of the Counter-Terrorism Act 2008, add at the end—

"(d) The Terrorist Asset-Freezing (Temporary Provisions) Act 2010.".

Amendment 7, page 1, leave out lines 13 to 19 and insert—

'(a) directions purported to be made by the Treasury under the purported Orders mentioned in (2) shall have effect as if they were interim orders;

(b) licences purported to be granted by the Treasury under purported directions shall have effect as if they had been granted under this Act.'.

New clause 1—*Amendments to 2009 Order*—

(1) The Terrorism (United Nations Measures) Order 2009 is amended as follows.

(2) In article 4(1) for "The Treasury may give a direction that a person identified in the direction is" substitute "The High Court, on application by the Treasury, may order that a person be".

(3) In article 4(1)(b) for "the Treasury consider that the direction" substitute "the order".

(4) In article 4(2) delete "that the Treasury have reasonable grounds for suspecting".

(5) In article 4(3) for "Treasury" substitute "Court".

(6) After article 4(3) add—

"(4) The Court may, on application by the Treasury, make an interim order under which a person is to be treated as satisfying the conditions in paragraph (1) if there is reasonable suspicion that the conditions in paragraph (l)(a) and (l)(b) are both satisfied.

(5) The Court must discharge an interim order if—

(a) there are no longer grounds for reasonable suspicion that the conditions in paragraph (l)(a) and (l)(b) are both satisfied,

(b) any subsequent proceedings undermine the factual basis for the finding that there is reasonable suspicion for the purposes of paragraph (4),

(c) a Court makes an order under paragraph (1) relating to the same person arising out of the same allegations, or

(d) a Court refuses to make an order under paragraph (1) relating to the same person arising out of the same allegations.

(6) Nothing in paragraph (5) prevents an application by the Treasury for a new order or interim order on the basis of different facts.".

(7) For article 5 substitute—

"5 (1) An order under article 4(1) must be revoked by the Court if either of the conditions identified in that article no longer continue to be met.

(2) An order under article 4(1) may last no longer than 12 months, but may be renewed on application by the Treasury.

(3) An interim order under article 4(4) lapses after one month, and may not be renewed except where there are pending proceedings under article 4(1) or other proceedings relevant to the issues identified in articles 4(5Xa) or (b), in which case the interim order may be renewed on application by the Treasury until the end of those proceedings and any consequent proceedings under article 4(1) or article 4(5)(a) or (b).".

(8) For article 6(1) substitute—

"(1) Where the Treasury makes an application to the Court under articles 4 or 5, the Treasury must—".

(9) In articles 6(l)(a), 6(l)(b), 6(2)(a), 6(2)(b), 6(3) and 6(4) for "direction" wherever it appears substitute "application".

(10) For article 7 substitute—

"7 (1) Whenever any of the following occurs, the Treasury must act in accordance with paragraph (2)—

(a) an order or an interim order expires,

(b) the Court varies, revokes or renews an order or an interim order, or

(c) the Treasury makes an application to the Court for any renewal, revocation, or variation of an order or an interim order.

(2) (a) The Treasury must give written notice to the person indentified in the order or interim order,

(b) The Treasury must take such steps as they consider appropriate to bring any event mentioned in paragraph (1) to the attention of persons informed of the order.".

(11) In articles 8 and 9, for "a direction" wherever it appears substitute "an application for an order or an interim order".

(12) In articles 8 and 9, for "the direction" wherever it appears substitute "the application for an order or an interim order.".

(13) In article 8(1) and article 9, for "4(1)" substitute "4".

(14) In article 8(1) and article 9, for "5(1)" substitute "5".

(15) In article 9, for "that direction" substitute "that application for an order or an interim order".

(16) After article 17(7) insert—

"(8) (a) if the Treasury refuses an application for a licence under this article or refuses to vary the terms of such a licence, any person affected, including the restricted person and the applicant for a licence, may appeal to the High Court,

(b) the High Court on an appeal under sub-paragraph (a) shall consider the application ab initio and may make any order it considers appropriate.".

(17) In article 23, for "7(a)" substitute "7(2)(a)'".

Amendment 12, Title, line 3, after 'activity;' insert—

'to amend the regime established by those Orders;'

David Howarth: All the amendments and the new clause stand in my name and that of my hon. Friend the Member for Twickenham (Dr. Cable). They bring together two separate issues—one that relates to amendment 4 and one that relates to amendment 5 and the new clause. The other amendments are simply consequential. Having heard the debate in the House all day, I feel that the issue that concerns amendment 5 and the new clause is the one on which Members wants to vote, so I shall press that to a Division.

Amendment 4 would change the terms that the Government use to turn the previous UN orders from invalid legislation into valid legislation. The way in which the Bill works is to deem the orders to be valid, and always to have been valid, under the United Nations Act 1946. The amendment would excise any mention of the Act from the Bill and, instead of deeming the orders always to have been valid, would simply declare them to be valid from now on. The amendment would therefore remove an element of retrospectivity in the technique that has been adopted and, more importantly, would remove from the Bill any reference to the Act as a cover for what the Government are trying to do. The reason for that has to do with the al-Jedda case.

Mr. Hoban: Before the hon. Gentleman talks about that case, will he clarify something? Would his amendment effectively nullify any action taken under the orders prior to the passing of the Bill?

David Howarth: Not quite, because of what clause 2 does. To achieve that effect, we would have to vote against clause 2. I am not so annoyed about clause 2 as I am about clause 1, because clause 2 is there to protect the banks, rather than the Government. I know that the banks are unpopular, but it seems reasonable that having relied on what the Government did, the banks should be protected from any untoward consequences; the Government are in a different position.

The judgment in the al-Jedda case states that in circumstances where the Government are legislating to implement a United Nations Security Council resolution, the Human Rights Act and the European convention on human rights do not apply. That is because article 130 of the UN charter says that the UN charter and Security Council resolutions under the charter take precedence over every other treaty. In the al-Jedda case, the House of Lords interpreted that provision as including in the category of all other treaties the European convention. Because of the relationship, as found in other cases,

[David Howarth]

between the European convention and the Human Rights Act, that also means that the Human Rights Act does not apply.

All through the debate, that has been an important point of interpretation of the Supreme Court, because the Supreme Court did not say that the orders were compliant with human rights standards. It said instead that because of the al-Jedda case, it was unable to consider whether human rights standards applied or not. Unless, of course, the al-Jeddah case is reversed on appeal to the European Court of Human Rights in Strasbourg, amendment 4 would leave it open to those affected by this legislation to go to court in this country and challenge it on the basis of human rights standards and to move to obtain a declaration of incompatibility. That is a possibility that we should leave open. We should not slam the door in the face of the courts as the Bill does.

The Chief Secretary has a personal interest in this, because he has certified on the front of the Bill that it complies with the European convention on human rights. At present, that might be a slightly misleading statement, because that might be true only because the convention does not apply at all. I hope that he would wish that the position was more real than that rather artificial one, and that he would argue—I might oppose him on this—that the terms of the Bill are, in reality, compliant. The argument for amendment 4 sounds technical, but it raises a very important issue of principle about the application of the Human Rights Act.

Amendment 5 is a paver for the new clause. The new clause is an attempt to amend the 2009 order in a way that has been called for from all sides of the Chamber in the debate that we have had so far. Its effect would be to alter the process by which a person becomes subject to the asset-freezing regime, to change the length of time that a person can be subject to the regime on the basis of reasonable suspicion alone, and to introduce appeal mechanisms both for the bringing into force of the asset-freezing regime and for the licensing regime—a point that has been mentioned in the debate.

Under the order as it stands, the Treasury, acting on the basis solely of reasonable suspicion, and without any prior supervision by the courts, can subject a person to the full asset-freezing regime. There is absolutely no appeal. There is judicial review, and we have debated its adequacy, but the conclusion that I and many other right hon. and hon. Members have come to in the debate is that judicial review is not adequate. There is not only no provision for an appeal, but no limit to the number of times that a direction, which lasts a year, may be renewed. Effectively, that is an indeterminate—life—sentence. The Government say that they will change their ways and the directions will work differently, but in the past they have worked punitively, not just preventively. We all accept that the object of the exercise is to prevent funds going to terrorist organisations, not to punish people who are merely suspected—without any proof in court—of associating with terrorists.

The proposed changes would replace the existing process with one in which the Treasury applied to the High Court for an order to impose an asset-freezing regime. The Court, not the Treasury, would apply the order based on the facts—as in the Australian regime that has been mentioned—about whether the person was connected with terrorism and whether it was necessary to impose the order for public protection. Reasonable suspicion would not be enough; a judgment would have to be made on the basis of the facts as they were, not as the Government simply suspected them to be. The order would last for up to a year, but then, as now, its renewal would be possible through a further Treasury application, which would be judged on the same basis as the first.

I accept, however, that there are emergency circumstances in which applying for a full order might lead to excessive risks. In that situation, the proposed changes would allow the Treasury again to apply to the Court for an interim order, but then, as now, it would be able to do so on the basis of reasonable suspicion. The interim order would be restricted in a way that the Supreme Court itself said was reasonable; it would last only for a month, during which time the Treasury would be expected to apply for a full order; and its extension would be possible only to cover the proceedings on the full order or the time that it took to deal with other relevant proceedings, such as a criminal trial or those under other terrorism legislation.

The 2009 order includes a licensing system, to which Members from all parts of the House have also referred. The regime's problem, which has already been recognised, is that there is no provision for an appeal against the refusal of a licence or against a licence being granted in terms that the persons affected—the subject of the order or their family—find too restrictive. We all know the effects of such orders, especially on the wives of subjects. Several marriages have broken up; there have been mental health problems; and orders have been so restrictive that they have required mothers to ask every day of their children what money they have spent—even on sweets in the local sweet shop. Our new clause would therefore allow full appeals, not just reviews, by anyone who was affected by a licensing order and felt that the licence was too restrictive or wanted to appeal against the refusal of a licence in the first place.

Although this is emergency legislation, and although there is a feeling on all sides that something has to be done quickly, that does not mean that we should carry on doing something that is plainly wrong. It is plainly wrong to give the Executive the power, merely on suspicion, to lock people up without proper, full access to the courts. I come back to what Lord Atkin said in Liversidge *v.* Anderson, a case that all law students know: amid the clash of war, the laws are not silent. We will debate the question of whether this is a war on other occasions; nevertheless, the law should not be silent.

8.45 pm

Mr. Hoban: I find it a bit rich for the hon. Member for Cambridge (David Howarth) to propose these amendments and this new clause given that he voted against the idea of having a sunset clause that lasted until 31 March because he felt that that would not provide enough time for proper consideration of the draft Bill. Yet he is proposing a set of amendments and a new clause that would fundamentally change the law in this area, and he thinks it appropriate to deal with them in the space of an hour and a half on a Monday night without proper exposure to the wider world. I know that consistency is not necessarily a virtue for which Liberal Democrats are renowned, but he needs to

be consistent about this matter. This is not the appropriate occasion on which to introduce into the Bill safeguards of the kind that he has outlined, which would open the door to enabling these provisions to be challenged through the court system on the grounds of human rights.

I am happy to acknowledge that the hon. Gentleman raises some fundamental issues. There are important issues to be debated but, given that there is a sunset clause in the Bill, I question whether now is the right time to do so with an expectation of changing the law to this effect. He may well say later that these are probing amendments, not a huge attempt to change the law, and that may be fine, but he gave no indication that that is the case. This is not an appropriate opportunity to debate such fundamental reforms, which would need proper scrutiny and engagement with external stakeholders, and I am a bit surprised that he has chosen to table these amendments at this time.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): I rise to support the amendments, as I believe that they would be a very helpful step forward. The hon. Member for Fareham (Mr. Hoban) said that it is a bit rich of the Liberal Democrats to vote in the way that they did. I voted that way as well, but I am equally concerned about the purport of this Bill.

As we have heard, there are two main issues regarding what the Bill does: a lack of scrutiny and a lack of legal redress, both of which would be dealt with in the second amendment to which the hon. Member for Cambridge (David Howarth) referred. Like others in this Chamber, I am sure, when I hear the words "reasonable suspicion" I always think, "How is that tested?" Usually, the normal legal procedure then comes in, and a tribunal of some kind decides whether the suspicion was held on a reasonable basis. In this instance, there is no such tribunal to make that decision. I am not here to cast any aspersions on the Exchequer Secretary, the Chief Secretary or anybody else, but we would hope to put in place a form of legislation that will stand the test of time and be a fair resolution of a problem that, I acknowledge, does exist. I do not live in a cocoon: there is a problem, and I recognise that that is so. As we are going to rush everything through today, this is obviously an appropriate time to discuss these amendments, because when can we discuss them, if not now? Surely it is important that we consider them now.

Of course the Government might care to respond in some way to the purport of the amendments in due course. As we heard earlier, Lord Hope, the deputy president of the Supreme Court, said:

> "It is no exaggeration to say...that designated persons are effectively prisoners of the state...their freedom of movement is severely restricted without access to funds or other economic resources, and the effect on both them and their families can be devastating."

He went on to say that the orders

> "strike at the very heart of the individual's basic right to live his own life as he chooses."

His colleague in the Supreme Court, Lord Brown, said:

> "The draconian nature of the regime imposed under these asset-freezing Orders can hardly be over-stated."

The hon. Member for Cambridge said that his amendment would make the Bill human rights compliant by deleting the reference to the UN. I think that that is basically where we are. He is a law professor, and although such matters are detailed, he explained them clearly. It is not a simple area of law, but I agree that that would be a sensible way forward. It would at least invoke the protection of compliance with human rights as we understand them.

New clause 1 would impose a duty of scrutiny. It would also give the courts an opportunity to review a finding later—there is nothing wrong with that, one hopes—and give the person subject to the order some form of legal redress. As hon. Members from all parties said, merely falling back on the old excuse that a person can seek redress by way of judicial review is not good enough. The people we are discussing are asset-stripped. How are they to finance an application for a judicial review?

In any event, the judicial reviews that we have discussed are subject to the Wednesbury principle. In other words, the major question is whether the Minister concerned acted reasonably in the circumstances. If only part of the information against the individuals designated is known to them, how on earth can they possibly challenge on those grounds? The hon. Member for Hendon (Mr. Dismore) made that point clearly.

The amendments are certainly an improvement on the Bill. The hon. Members for Twickenham (Dr. Cable) and for Cambridge must have spent a boring weekend considering so many minute drafting points. Maybe the hon. Member for Twickenham was not in Twickenham, as I was, but that is another story; I had a legal low, not a legal high, but I digress.

The amendments are seriously worthy of consideration and improve the Bill. I am unhappy about the Bill, but I understand that the Government are in a bit of a quandary and need to do something. However, if we are to have these time constraints, surely we should be able to discuss the measures in detail so that some form of protection could be built into the Bill. The hon. Member for Cambridge has done a good job of drafting his amendments in such a short time. I hope that the Government can respond to them positively.

Sarah McCarthy-Fry: I thank all hon. Members for their contributions to the debate on the amendments, including the hon. Member for Cambridge (David Howarth), who moved them, the hon. Member for Fareham (Mr. Hoban), who spoke for the Opposition, and the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd), if I have pronounced that correctly.

Before I address the amendments, I want to correct a point about the al-Jedda case. The case concerned the relationship between United Nations obligations and the European convention on human rights, when there is a conflict between the two. In al-Jedda, the House of Lords concluded that UN obligations override convention rights—that is, UN obligations take precedence when there is a conflict. However, the al-Jedda point arose in our case in relation to the al-Qaeda order only, which the Bill does not address. Individuals do not have a right of access to a court to challenge their designation. The al-Jedda point did not arise in relation to the terrorism orders—the subject matter of this Bill—because those orders do not contravene human rights in that way.

Amendment 4 is intended to ensure that the orders have the same legal force as primary legislation. Amendment 6 adds a reference to the Bill in part 6 of the Counter-Terrorism Act 2008. I reject both amendments

[Sarah McCarthy-Fry]

because I do not think they are needed, and I hope that the hon. Member for Cambridge will withdraw them. Giving the orders status as primary legislation would give the Government more protection from legal challenge than we believe would be right. The orders could not then be quashed by a court on human rights grounds. That is because a court can strike down an Order in Council on human rights grounds, but it can only declare an Act of Parliament incompatible with the Human Rights Act 1998. Our short Bill will ensure that our Orders in Council can continue to be set aside on human rights grounds until the permanent Bill is enacted. Adding a reference in the Bill to the Counter-Terrorism Act 2008 is unnecessary because the Act already covers all decisions made under our orders.

I move on now to amendment 5, new clause 1 and amendment 12. I listened with interest to the arguments that the hon. Members for Cambridge and for Meirionnydd Nant Conwy put forward. I want briefly to go back over why I feel that the substance of the proposals is wrong, but the main issue is that these are arguments for us to have on the longer Bill.

Accepting the proposals would fundamentally change the nature of asset freezing. It would mean all freezing decisions being taken by the courts, and not by Ministers as at present. Ministers would be able only to refer freezing proposals to the High Court. Freezes based on reasonable suspicion could last for only one month, and would be renewed after a month only if a court could be persuaded that the subject were a terrorist. That would involve a higher test than reasonable suspicion, and it could be a test as high as a conviction. The changes would significantly reduce the operational effectiveness of the asset-freezing regime, which is designed to be preventive.

Reasonable suspicion is a legal basis for asset freezing which is endorsed by the Financial Action Task Force. Under the current system, we do not simply rely on reasonable suspicion, however. Designations must also be necessary for public protection, which provides an additional safeguard. The proposals in these amendments would alter key aspects of the regime, including who made the decisions and what the legal standards should be. Those are fundamental points. The purpose of this temporary Bill is not to remake our asset-freezing regime; it is to restore the existing regime for a temporary period to allow for thorough consideration of the full Bill.

Martin Horwood (Cheltenham) (LD): Am I right in thinking that, when a suspension of the Supreme Court's decision was requested, the Court refused it on the ground that it would simply be

"a procedure that is designed to obfuscate the effect of its judgment"?

In other words, did not the Court expect us to change the principle behind the regime, rather than simply try to find a way round its judgment?

Sarah McCarthy-Fry: No, the basis for the judgment for not giving us a stay was that the Court did not have a legal basis to do that, given that it had quashed the original orders.

Many hon. Members have talked today about not rushing into legislating on issues of importance. The problem that I have is trying fundamentally to rewrite our existing scheme with a bare minimum of discussion and scrutiny in the few hours that we have had tonight. I look forward to debating the substance of the hon. Member for Cambridge's proposals in due course, but the time to debate such significant changes is when we consider the permanent legislation in detail, not now. Our priority now is to restore our existing regime, as the Bill seeks to do, and to create time for us to consider in greater depth how the permanent legislation should be framed. On that basis, I invite the hon. Gentleman to withdraw his amendment.

9 pm

David Howarth: The Minister made a legal point at the start of her speech, but I do not think she could fully have considered the judgment by Lord Phillips in the Supreme Court, who clearly considered the position under al-Jedda and the human rights position before discussing the individual merits of the cases against either order. What the Minister put to the Committee was not the legal position, but simply her hope about what the legal position might be, were the matter to return to court—which, I am afraid, is where it will probably end up.

The arguments against the amendments seemed simply to be that the time is not ripe to discuss the detail of these provisions, but we are being asked to put them into force for almost another year. I remind the Committee that the Supreme Court was very clear about the degree to which these orders undermine fundamental rights. The hon. Member for Fareham (Mr. Hoban) talked about consistency, and we consistently voted against the timetabling order earlier today because we thought it would be better to discuss these matters in more detail with more time. However, we have to deal with the time we have, and the very least we can do in that time is to put right the main injustices and faults of the legislation before us. That is what the amendments attempt to do.

In particular, the new clause, and amendment 5 which would pave the way for it, would put right the most obvious faults in the legislation—faults that the hon. Gentleman's own Back-Bench colleagues referred to again and again in their speeches on Second Reading. They included the lack of appeal and of judicial process. We do not have to wait for months to put that right: we can do so here and now.

Amendment 4 deserves further discussion, and the Government's response shows that they need to think about it a lot more, but amendment 5 is something that we should vote on here and now. I beg to ask leave to withdraw amendment 4.

Amendment, by leave, withdrawn.

Amendment proposed: 5, page 1, line 11, at end insert—

', but subject to the amendments made by section *[Amendments to the 2009 Order]*'.—*(David Howarth.)*

Question put, That the amendment be made.

The Committee divided: Ayes 53, Noes 254.

Division No. 74] **[9.2 pm**

AYES

Baker, Norman	Campbell, rh Sir Menzies
Bottomley, Peter	Carmichael, Mr. Alistair
Breed, Mr. Colin	Corbyn, Jeremy
Brooke, Annette	Davey, Mr. Edward
Browne, Mr. Jeremy	Davies, Mr. Dai
Bruce, rh Malcolm	Dodds, Mr. Nigel
Cable, Dr. Vincent	Durkan, Mark

Farron, Tim
Foster, Mr. Don
George, Andrew
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Hemming, John
Holmes, Paul
Howarth, David
Huhne, Chris
Jones, Lynne
Keetch, Mr. Paul
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
Mason, John
McDonnell, John
Öpik, Lembit
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Smith, Sir Robert
Spink, Bob
Stunell, Andrew
Taylor, Dr. Richard
Thurso, John
Webb, Steve
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wishart, Pete

Tellers for the Ayes:
Dan Rogerson and Martin Horwood

NOES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blunkett, rh Mr. David
Borrow, Mr. David S.
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Cleland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, [illegible]
Flint, [illegible]
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Mr. Tom
Havard, Mr. Dai
Healey, rh John
Henderson, Mr. Doug
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hodgson, Mrs. Sharon
Hoey, Kate
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Robertson, John
Robinson, Mr. Geoffrey
Rooney, Mr. Terry
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stewart, Ian
Stringer, Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Turner, Mr. Neil
Vaz, rh Keith
Walley, Joan

Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wyatt, Derek

Tellers for the Noes:
Mr. Bob Blizzard and Kerry McCarthy

Question accordingly negatived.

Amendments made: 9, page 1, line 13, leave out 'by the Treasury under any of'
and insert 'under'.

Amendment 10, page 1, line 15, leave out 'by the Treasury under any of'
and insert 'under'.—*(Sarah McCarthy-Fry.)*

Question proposed, That the clause, as amended, stand part of the Bill.

David Howarth: I will be very brief. I simply want to say that although we did not object to the Bill receiving its Second Reading, we find the methods adopted by the Government in clause 1, especially now that they have not been amended in any significant way—*[Interruption.]*

The First Deputy Chairman: Order. There really are far too many private conversations going on in the Chamber. It is difficult to hear what the hon. Gentleman is saying.

David Howarth: Thank you, Mrs. Heal. As I was saying, although we did not vote against Second Reading and we accept the need for action on this issue, we are disappointed that the Government seem so obdurate, in resisting any suggestion to improve how the main part of the Bill—clause 1—works, and especially in their utter complacency on the issue of human rights and their refusal to accept the need for proper scrutiny, review and appeal. For that reason, I shall be advising my colleagues to vote against clause 1 stand.

Sarah McCarthy-Fry: I am rather disappointed with the Liberal Democrats' position. As a Government we want to ensure that the Bill has sufficient scrutiny as it goes forward. I made it clear in my response to the amendment proposed by the hon. Gentleman that I do not think it appropriate that such a fundamental change should have been made with less than a few hours' scrutiny. As I said to him, I look forward to debating those points as we go forward. I am very disappointed that the Liberal Democrats are choosing to vote against a clause that prevents terrorists from having access to financing or the financial system. Quite frankly, it is shameful.

Question put, That the clause, as amended, stand part of the Bill.

The Committee divided: Ayes 302, Noes 42.

Division No. 75] **[9.18 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benyon, Mr. Richard
Beresford, Sir Paul
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blears, rh Hazel
Blunkett, rh Mr. David
Bone, Mr. Peter
Borrow, Mr. David S.
Bottomley, Peter
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Bryant, Chris
Buck, Ms Karen
Burgon, Colin
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cairns, David
Campbell, Mr. Alan
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clelland, Mr. David
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cooper, rh Yvette
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Duddridge, James
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Elwood, Mr. Tobias
Etherington, Bill
Evans, Mr. Nigel
Fabricant, Michael
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Francois, Mr. Mark
Gauke, Mr. David
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gillan, Mrs. Cheryl
Gilroy, Linda
Godsiff, Mr. Roger
Goodman, Helen
Goodwill, Mr. Robert
Greening, Justine
Greenway, Mr. John
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Patrick
Hamilton, Mr. David
Hammond, Stephen
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Healey, rh John
Henderson, Mr. Doug
Herbert, Nick
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hoban, Mr. Mark
Hodgson, Mrs. Sharon
Hoey, Kate
Hollobone, Mr. Philip
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howarth, rh Mr. George
Howell, John
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, rh Beverley
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn

Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lammy, rh Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leyiit, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Marsden, Mr. Gordon
Martlew, Mr. Eric
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McDonagh, Siobhain
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Miller, Mrs. Maria
Milton, Anne
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Murrison, Dr. Andrew
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Penning, Mike
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Primarolo, rh Dawn
Prosser, Gwyn
Randall, Mr. John
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reid, rh John
Robertson, John
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Rosindell, Andrew
Roy, Mr. Frank
Roy, Lindsay
Ruffley, Chris
Ruddock, Joan
Ryan, rh Joan
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stewart, Ian
Stringer, Graham
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Timpson, Mr. Edward
Todd, Mr. Mark
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Turner, Mr. Neil
Vaizey, Mr. Edward
Vaz, rh Keith
Villiers, Mrs. Theresa
Walley, Joan
Waltho, Lynda
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Wiggin, Bill
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilshire, Mr. David
Wilson, Phil
Winnick, Mr. David
Winterton, Ann
Winterton, Sir Nicholas
Winterton, rh Ms Rosie
Woodward, rh Mr. Shaun
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Bob Blizzard and Kerry McCarthy

NOES

Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Cable, Dr. Vincent
Carmichael, Mr. Alistair
Davey, Mr. Edward
Durkan, Mark
Foster, Mr. Don
George, Andrew
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Hemming, John
Holmes, Paul
Howarth, David
Jackson, Mr. Stewart
Keetch, Mr. Paul
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
Mason, John
Öpik, Lembit
Pugh, Dr. John
Reid, Mr. Alan
Rennie, Willie
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Smith, Sir Robert
Stunell, Andrew
Taylor, Dr. Richard
Thurso, John
Webb, Steve
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Wills, Mr. Phil
Willott, Jenny

Tellers for the Noes:
Dan Rogerson and Martin Horwood

Question accordingly agreed to.

Clause 1, as amended, ordered to stand part of the Bill.

Clause 2 ordered to stand part of the Bill.

Clause 3

SHORT TITLE, COMMENCEMENT AND EXTENT

Amendment made: 11, page 2, line 25, at end insert—

'(4) Section 1 and this section also extend—

(a) so far as relating to the Terrorism (United Nations Measures) (Channel Islands) Order 2001 (S.I. 2001/3363), to the Channel Islands, so as to be law respectively in Guernsey and Jersey;

(b) so far as relating to the Terrorism (United Nations Measures) (Isle of Man) Order 2001 (S.I. 2001/3364), to the Isle of Man, as part of its law;

(c) so far as relating to the Terrorism (United Nations Measures) (Overseas Territories) Order 2001 (S.I. 2001/3366), to the territories listed in Schedule 1 to that Order.' —*(Mrs. Hodgson.)*

Clause 3, as amended, ordered to stand part of the Bill.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported.

Third Reading

9.31 pm

Sarah McCarthy-Fry: I beg to move, That the Bill be now read the Third time.

I thank all Members for their contributions.

We consider the Bill to be necessary to the United Kingdom's national security. It will enable us to act swiftly in order to maintain the asset-freezing regime under the Orders in Council on a temporary basis. We will, of course, table further legislation to introduce a

[Sarah McCarthy-Fry]

terrorist asset-freezing regime in primary legislation, allowing time for Parliament to scrutinise our proposals fully.

This temporary Bill is important, and I am grateful to Members in all parts of the House for the support that has enabled us to complete its progress today on an urgent basis. I thank the officials for their hard work in drafting the legislation and for their support, and I thank the banks for their co-operation.

I recognise that many of the points made today will be relevant to the fuller debate on the lasting legislation, and I look forward to that debate with great interest. Meanwhile, I hope that this Bill will proceed to the other place, and will be enacted soon.

9.32 pm

Mr. Hoban: I echo the Minister's thanks to all who have taken part in the debate. It has been a good debate.

The Bill will complete all its stages here today, and will proceed to the House of Lords following its Third Reading, because we are where we are. Although there are arguments to be had about why the Government are in such a mess, we accept the reality that we must help them to get out of that mess so that we can ensure that there is a proper regime to freeze terrorist assets. I am sure that we shall want to continue the debate about some of the safeguards and other issues that have been discussed today when, in due course, we deal with the longer Bill.

9.33 pm

David Howarth: The Liberal Democrats will not oppose the Bill on Third Reading either, because we did not oppose it on Second Reading, but we are still disturbed by the speed with which it has gone through the House today, which is why we voted against the allocation of time motion. We believe that more time was available at this stage to allow us to consider the Bill more carefully. We shall now turn our attention to the other place to see whether it can correct some of the problems before the Bill goes on to the statute book.

This is not a time for shouting across the Chamber that a member of another party is soft on terrorism, or other nonsense of that sort. We all share the objective of ensuring that funds do not reach terrorist organisations. What concerns the Liberal Democrats is the means that have been adopted to produce that end, and whether those means are excessively oppressive.

We also have concerns about an important point that was made on Second Reading, but which the Government do not seem to have taken on board: are the means adopted effective, given that two of the subjects in the case before the Supreme Court have slipped away and disappeared? The following question therefore remains: is the effect of the legislation to prevent terrorism events from taking place, or does it have the unintended effect of making it more difficult to keep track of the very people the Government want to keep track of? We have not had sufficient time to debate that. The Government started to make a response to that point, but time petered out, as ever on these occasions. We look forward to the debate in the other place, and hope there will be more answers there. In the meantime, we will not oppose the Bill on Third Reading.

Question put and agreed to.

Bill accordingly read the Third time and passed.

Business without Debate

REGULATORY REFORM

Motion made, and Question put forthwith (Standing Order No. 18(1)),

That the draft Legislative Reform (Dangerous Wild Animals) (Licensing) Order 2010, which was laid before this House on 7 December, be approved.—*(Mrs. Hodgson.)*

Question agreed to.

DELEGATED LEGISLATION

Ordered,

That the Measure passed by the General Synod of the Church of England, entitled Church of England (Miscellaneous Provisions) Measure, which was laid before this House on 16 December, be referred to a Delegated Legislation Committee.

That the Measure passed by the General Synod of the Church of England, entitled Crown Benefices (Parish Representatives) Measure, which was laid before this House on 16 December, be referred to a Delegated Legislation Committee.

That the Measure passed by the General Synod of the Church of England, entitled Vacancies in Suffragan Sees and Other Ecclesiastical Offices Measure, which was laid before this House on 16 December, be referred to a Delegated Legislation Committee.—*(Mrs. Hodgson.)*

Kingston Hospital

Motion made, and Question proposed, That this House do now adjourn.—*(Mrs. Hodgson.)*

9.36 pm

Susan Kramer (Richmond Park) (LD): I appreciate having this opportunity to raise a topic of great concern to my constituents: the future of Kingston hospital and whether key services are under review for closure. I want to make the Minister aware that we have a vigorous campaign to save the accident and emergency and the maternity units at the hospital, but we have also now discovered that, in addition, in-patient paediatric and elective surgery are under review, again with closure under consideration.

Kingston hospital serves primarily the residents of my constituency and that of my hon. Friend the Member for Kingston and Surbiton (Mr. Davey). It has always been my intention to share the time available to me with him, as his comments will serve to provide the full view, which should be expressed, and, fortunately, I have more available time than expected, as the previous debate finished early. I should also say that we have been supported in all of this by my hon. Friend the Member for Twickenham (Dr. Cable), whose constituents also make extensive use of Kingston hospital. Other users come from Surrey and Wimbledon, although, sadly, Conservative and Labour representatives, including Conservative candidates in the area, have joined forces to dismiss our campaign. We are standing up for Kingston hospital, along with thousands of our local residents, and my hon. Friend the Member for Kingston and Surbiton will give a more detailed account of their views.

Mike Penning (Hemel Hempstead) (Con): On what date was the news of the closures the hon. Lady is predicting given to her?

Susan Kramer: I am grateful for that intervention, as it leads me nicely on to some other points I want to make. I will address it briefly, but I shall then want to return to talking about the importance of Kingston hospital. My hon. Friend the Member for Kingston and Surbiton and I had separate meetings with senior members of the NHS in late November or the very beginning of December. On 18 December, we first heard that these services were under review and that a paper would be produced listing a series of options, including, significantly, the possible closure of the maternity and the accident and emergency units at Kingston hospital. Both of us, quite independently, thought that somebody was having us on because, as I will go on to explain, the quality of Kingston hospital and the services it provides cannot be disputed.

We followed this up with a series of meetings with other senior members of the NHS—chief executives and clinicians. The information we received was generally concerning, but we were asked whether we would hold back from making any public comment because of the report that was due on 18 December. As we approached that date, we were asked whether we would delay again because Christmas was coming and the report would be issued on 25 January. As we approached that date, we found, again, that the report was not going to be issued; we were told that the whole matter would not be put into any arena where we could request the papers until after the general election.

I find that utterly outrageous, but I am going to return to my original comments about Kingston hospital because it is important to understand the framework in which this all takes place. The hospital is part of the south-west London region of the NHS, which comprises four hospitals: Kingston; St. George's in Tooting; Mayday in Croydon; and St. Helier in Carshalton. I wish to illustrate the importance of Kingston hospital to hon. Members. This past year it had 5,800 births, which is by far the largest number for those four hospitals, and it is set to increase its capacity to 7,000 births per year. The unit has an outstanding record, it is a centre of excellence and it is the only maternity unit out of the four to have consultant cover 98 per cent. of the time. The demographics of the area are of growing young families—we see that in our schools and in the number of live births. People's opportunity to use the maternity unit at Kingston hospital is constantly under pressure from the increasing demand and the changing shape of the demographics in my area. The hospital's accident and emergency unit is similarly very heavily used; last year's throughput was 103,000 people which, again, is the highest of those four hospitals in the south-west group. The in-patient paediatric service and the elective surgery unit, which is new and state of the art, are also very well used.

As I said in my reply to the question I was just asked, somewhere around the end of November and the beginning of December we first received the initial information that these services were being considered for cuts. As we continued our various discussions, we were told that about 18 options would be put on the table. We were not given the details of any of those options. Ironically, we actually asked for the information to be shared with other politicians because we thought that this was going to be a much broader discussion—it should be—than the one we were having. However, we initially agreed that we would stay silent until the report became available to be publicly requested. After we were told, just before 25 January, that this would not happen until after the election we made a decision, because we were outraged, that we would not join in this pact of silence. It is true that we had no substantial piece of paper to back up the conversations that we had had, but they were with people of integrity and honour and we had no reason to question the information that was passed to us.

Mike Penning: I am fascinated by the dateline that the hon. Lady is giving. She said that she promised that the Liberal Democrats would keep quiet beyond 18 December and that it was only around 25 January that they made the decision to go public with this, yet on 11 December one Susan Kramer—that is the name on the piece of paper that I am holding—bought the domain name www.savekingstonhospital.org.uk. This is a public document and it is available to anybody who wants to look at it, so it was obvious then to anybody that the Liberal Democrats would run their campaign to save the hospital despite their promises that they would not reveal the information that they had been given.

Susan Kramer: I do not think that the hon. Gentleman has been listening to what I have said and I suggest that he listens more closely. We agreed that we would not go

[Susan Kramer]

public before 18 December, but we prepared to do so. We bought the domain name and we prepared for what we knew would be a very important and significant campaign.

Mike Penning: To frighten people.

Susan Kramer: I hear very clearly what the hon. Gentleman is saying and it absolutely clarifies what the Conservatives would have done had they shared the same information that we shared. I am very glad that that is now on the record, in *Hansard*, for anyone in this House or outside to read—

Mike Penning *rose—*

Susan Kramer: The hon. Gentleman keeps intervening—let me finish—*[Interruption.]* I am very pleased to know all that—*[Interruption.]*

Madam Deputy Speaker (Sylvia Heal): Order. If the hon. Lady is not allowing an intervention at this moment, that is entirely up to her.

Susan Kramer: I want the Minister to be able to respond substantially to the debate.

We prepared for a campaign and we were completely open with those to whom we spoke that we would campaign strongly on this issue, but we agreed to hold back until the 18th. We were then told that it would be the 25th and then, just before the 25th, we were told "No, it's being held over until after the election." At that point, we felt that it was an outrage—I believe that most of our residents consider it to be an outrage, too—for the decision-making process to proceed and continue without an opportunity for the public to be brought in, to be informed or to be able to shape that process as it developed. The public would be left unaware of the situation until the options had been narrowed down to three, possibly four, with much of the thinking closed off and much of the direction predetermined. We believe that our local residents need to be involved and that their voices need to be heard at a stage when the decisions are, potentially, a little fluid and when there is some flexibility in the system. We believe that local decision making and local input on health issues is absolutely and centrally crucial.

We have applied to the various branches of the NHS with freedom of information requests for the papers that we wish to have and that we wish to put in the public domain. I urge the Minister to ensure that the responses to those FOI requests are given, and that they are given in full. Something strange always happens, however, when one goes public with an issue and with a campaign and when one raises concerns—

Mike Penning: It scares people.

Susan Kramer: I note that from his seat, the Conservative hon. Member for Hemel Hempstead (Mike Penning) has used the word scaremongering, which has been used by the various Conservative candidates in the area. That has done a lot to undermine our campaign. However, the effect of the campaign has been that those who were privy to the information that we disclosed, and disclosed accurately, have decided that it is time for them to act. Over the weekend, I received a copy—I believe that my hon. Friend the Member for Kingston and Surbiton did, too—of four pages from the report on the south-west London strategic plan, which we had hoped for on 18 December. I am lucky enough to have a copy of that in my hands now.

We received those pages this weekend, and now we find it extraordinary how accurate the information that was shared with us was. The recommended scenario in the paper is that there should be only three hot sites, as it describes them, among the four hospitals. It is clear from the paper that St. George's is safe as the major acute hospital in the area, leaving Mayday, St. Helier and Kingston as the hospitals where services are at risk. Indeed, we were right to say that there were 18 options—18 options are laid out in the paper. In only two of those options does Kingston retain its current services in full. In six, it loses accident and emergency, maternity and in-patient paediatrics. In 12 options, it loses in-patient paediatrics. In eight options, it loses its elective surgery. I am sure that the Minister has seen the paper and is able to confirm what I have just said. If he has not, we will be pleased to try to provide him with a copy of the part that we have and we would be grateful if he provided us with the missing pages.

I use Kingston hospital—in a sense, I suppose, I could have declared an interest—as does every resident in my area. I have rushed a sick grandchild there in the middle of the night. It took about 20 minutes—had I tried to get to St. George's, I doubt that I would have made it in 40. It would probably have taken closer to an hour—and that is if I could have found the hospital, which is extraordinarily difficult unless one knows the area well. My godmother suffered from severe dehydration just a few weeks ago and was taken to Kingston hospital in the middle of the day. To get to St. George's at that time of the day would take one and half hours, if the traffic was relatively light. In rush hour, it would take far longer. So, the alternative hospitals to Kingston hospital are very difficult to access from my area. The importance of the maternity, accident and emergency, and in-patient paediatric services, and the importance of having a place to go to for elective surgery cannot be overstated.

Everywhere I go in my constituency, residents tell me about their experiences, and they are horrified that they might have to go to St. George's in Tooting for the services that they can currently use at Kingston hospital. They have come to love and respect Kingston hospital and to value its services. They also see it as being vital to their ability to access acute services within their area.

Martin Horwood (Cheltenham) (LD): I warmly congratulate my hon. Friend on her campaign, which has eerie echoes of the campaign that we fought in Cheltenham in 2006 to preserve maternity and other services. Is she aware that although we saved the maternity ward in Cheltenham, lasting damage was done to the public's trust in NHS decision-making processes because of what happened with that process? The situation in this case sounds all too familiar from what she says.

Susan Kramer: I thank my hon. Friend for those comments. The fact that relevant information has not been put into the public arena so that ordinary residents

can be involved and can have their say when matters touch their lives so closely is a vital part of the reason why I am on my feet today. He mentioned his success in keeping open a maternity ward in a particular hospital. The hospital that those in the Richmond end of my constituency used to use was Queen Mary's in Roehampton. The accident and emergency department there closed, and shortly afterwards the rest of the hospital was gradually shut down. Without accident and emergency, it became unsustainable as a district general hospital. It has now been rebuilt and is a lovely facility, but it has only a handful of specialist services. It does not function as a general hospital any more, but deals just with minor injuries and orthopaedics and has a couple of mental health wards. It is very pleasant, but is not in any way a hospital. It is a shock to the system to know that my residents will no longer be able to go to Kingston, which they can at least get to—there is a decent, or possible, train service and one can get there reasonably well by car—and that they will instead have to go to Tooting. That is completely unacceptable.

We have seen all the reports today about the closures in north-east London—I think that my hon. Friend the Member for Kingston and Surbiton will take us through the reports in more detail—but at least the NHS in north-east London has made the effort to put that information into the public domain. We now ask for the same in relation to south-west London. We ask for information, we ask to be told about these matters, and we ask to be included in the process. We are here to say that the key services at Kingston hospital—the accident and emergency, maternity, in-patient paediatric and elective surgery services—are done well and that we need a hospital in the area that is within decent reach for members of our community. We ask the Minister to step back and rethink this issue in great detail. If he wishes to join us in our campaign, we would more than welcome having him on board, because it is crucial that we save the services at Kingston hospital.

9.53 pm

Mr. Edward Davey (Kingston and Surbiton) (LD): May I pay tribute to my hon. Friend the Member for Richmond Park (Susan Kramer) for securing the debate and for the way in which she has presented the case for Kingston hospital? It is a fantastic hospital that has served the people of my constituency, Richmond Park and many others in south-west London for many years. In recent times, it has, if anything, improved significantly; indeed, with the campaigns that my colleagues and I have run in the past 10 to 12 years, there has been more investment. We now have a relatively new accident and emergency department, which was rebuilt between 1999 and 2001, and the maternity service has expanded and is extremely popular. The only complaint that I ever receive about it is that people are not able to get in to give birth to their children at Kingston hospital. That is why I campaigned for it to be expanded.

The House does not have to take my word for the excellent and improving services. Hon. Members can look at reports by various regulators. I refer them particularly to the independent report from outside the NHS by Dr. Foster. His 2009 hospital guide lists Kingston hospital as London's top district general hospital. Of 149 hospital trusts in England, it came 15th, topping band 4 and only fractionally missing out on being in the top band, which was made up of mainly large teaching hospitals, not district general hospitals such as Kingston. On all the reports that Dr. Foster gives, Kingston scores extremely high. That is independent non-NHS recent verification of our confidence in the hospital.

That confidence is shared not only by us and by our constituents, but by the Prime Minister. A few days into his term in office, he chose with the then Secretary of State for Health, now the Home Secretary, to visit Kingston hospital. It was his first visit to an NHS facility as Prime Minister. Why did he do that? Because of the progress at Kingston hospital in reducing MRSA, and because of the innovation and success in the hospital in many other aspects of its service. So we had the Prime Minister giving a vote of confidence to Kingston hospital.

I can give Kingston hospital a vote of confidence from my own family. On two or three occasions I had to take my late grandmother to A and E, where she received fantastic care when she needed it when she was extremely ill. Just over two years ago, we had the happy experience of our first child being born in Kingston maternity unit. We were there for a while, and I was enormously impressed by the care of the midwives, consultants, and all the medical and other staff in the hospital, who looked after us fantastically. From my own personal experience, I can say what a wonderful hospital it is. As important is the experience of my constituents who, one after the other, over the years have come to me to praise Kingston hospital. That is not to say that there has not been the odd problem. Of course there has. I have dealt with complaints too, but the vast majority of my constituents support the hospital.

So when I was told by a local NHS chief executive that Kingston hospital's accident and emergency and maternity units were under threat, I thought it was a joke. I said, and I still say, that that was inconceivable, but I am afraid that, having been told by not just one NHS chief executive in the area but by four, and by a senior clinician at four meetings, and having met some staff who have to crunch the data and are distressed at the idea that the maternity department at Kingston could be closed, I had to take their word for it.

We expected the report on 18 December. We had prepared a website, ready to launch our campaign on 18 December because that is when we had been told the NHS would go public. We were then told that the document would not be published until 25 January, as my hon. Friend the Member for Richmond Park said. Interestingly, over the weekend, I received a document, the south-west London strategic plan, marked "Private and confidential" and "Final draft" and dated 18 December 2009. We had been told that it was not ready for that date, but now it clearly was ready. We have a few pages of it—the most relevant ones, which we will put on our campaign website tonight, so that everyone can see what the NHS, the Government and others have been trying to hide before the election.

Given that we are putting into the public domain the pages that we have been sent, I hope the Minister will put the whole report into the public domain. The thrust of the report is clear. Of the 18 options proposed in the report, one in three would see Kingston hospital's maternity, accident and emergency, and paediatric in-patient departments closed. That is the threat that we have been talking about. In 16 of the 18 options, Kingston would

[Mr. Edward Davey]

lose a significant service from its hospital. That is a serious threat to local health care. The report mentions other potential closures at nearby hospitals, and let me make it absolutely clear that we support those hospitals and note the concerns about the threat to them, not least because the health system is a system: if one place is cut, the effects can be felt elsewhere.

10 pm

Motion lapsed (Standing Order No. 9(3)).

Motion made, and Question proposed, That this House do now adjourn.—*(Mrs. Hodgson.)*

Mr. Davey: If other units at nearby hospitals are closed, that will impact on Kingston hospital. Anyone who has gone to the hospital's A and E department or, indeed, its maternity department will know how busy they are. Those departments do not have lots of spare capacity, with staff sitting around doing nothing; the units and the staff are at full stretch and do a fantastic job. If units at St. Helier hospital were to close, for example, that would have a big impact on Kingston hospital, too.

These are serious proposals; they are under active consideration; and they would seriously undermine the health care of our constituents. We therefore make no apology for launching our campaign, and, given that we are publishing the evidence today, I hope that our political opponents in the Labour and Conservative parties who accuse us of scaremongering will withdraw that accusation and join our campaign. On our website we have almost 7,000 signatures; we have more in hard copy; and no doubt we will present those petitions to the House in due course. On our Facebook site almost 14,000 have joined us, and from their testimonies we hear story after story about the excellent care that they and their families have enjoyed. It is a tribute to Kingston hospital staff and the wider NHS that the hospital is held in such high esteem, and I find it outrageous that some people have tried to undermine the campaign and make people question whether the stories were true, when we have put forward the evidence to back up what we say.

Back in November, before we went public, the British Medical Association published a document entitled, "London's NHS: on the brink". It mentioned a review not just in south-west London, but throughout the capital, and it cited all the work that had taken place and all the contracts that had been let to consultants, such as McKinsey, to do the number-crunching in order to close down services throughout the capital. Interestingly, on page 31 of the document, which is on our website and the BMA's, the document concludes that

"few of their plans to scale back spending are going to attract much—if any—public support: and in many areas they have been discussing plans at PCT and sector level in secret. NHS London has refused to publish the full McKinsey report on which they have based their guidance to PCTs."

I shall quote a little more from the report, because it is directly relevant to our debate. It states:

"A key focus for those campaigning to defend London's services must therefore centre on full disclosure and public debate on all of these policies and on the assumptions and projections on which they are based. This is vital to give Londoners a real chance to campaign not only against cuts they oppose at local level but to take a wider view of the framework which is dictating cutbacks across the NHS."

The BMA therefore said to politicians in November, "Let's get this in the public domain and expose what's going on so the public can be involved."

Dr. Vincent Cable (Twickenham) (LD): My hon. Friend is helpfully putting that information in the public domain, but the disquiet is even wider than he suggests. In that private and confidential document, which I obtained because it affects my constituency, too, the West Middlesex University hospital is also noted as being considered for hot or cold siting. That new hospital was opened by the current Prime Minister and the then Minister for Health only a few years ago, and it, too, now appears to be in the mix. If it is brought into question, the impact on west and south-west London will be utterly devastating and compound the effects that my hon. Friend has described.

Mr. Davey: My hon. Friend is absolutely right.

In case Members, who are listening and who may have spoken to NHS staff but clearly have not seen the report that we now have, are in any doubt that this is a concerted campaign to try to cut local NHS services, I have put on our campaign website a document from 29 June 2009, "South-west London sector presentation", which has also come our way. Slides 13 and 14 of that make very clear our assertion that A and E units, maternity units and in-patient paediatric services have been under fire and targeted by some people in the NHS for many months now. We have the evidence—it is absolutely unambiguous. I hope that the Minister is now going to do what Ministers, and the NHS, should have been doing before, and put all this evidence in the public domain.

In the north-east of London, as my hon. Friend the Member for Richmond Park told the House, we are seeing the cuts that will be entailed. In north-east London, which is the first of five NHS sectors in the capital to spell out the cost-cutting plans, a total of 800 hospital beds are to go and more than £500 million is to be slashed from hospital budgets by 2017. No wonder NHS bosses, and presumably Ministers, did not want all the other sector reports in the public domain before the election, although, bizarrely, they told us that that was what they were going to do—then they shut up shop. Astonishingly, the Conservatives—certainly some people in south-west London who want to represent the Conservative party—have been accusing us of scaremongering, so presumably if they had received this information, they would have colluded in the secrecy and not have put it into the public domain. That is the implication of their criticisms of us. We believe that this information should be in the public domain. We call on the Government and the NHS to give full disclosure—then the public can have a real debate and we will not continue to have all the slurs that we have had from some people about our campaign.

I have spoken to the leader of my party, to our health spokesman, and to my hon. Friend the Member for Twickenham (Dr. Cable), from the Treasury team. We are clear that we will protect front-line NHS services. We will campaign for these services to be retained, because they are critical if we are to maintain and

improve the quality of health care. Now that this debate is in the public domain, all political parties, all candidates, and those outside political parties can make their position plain. The Conservatives have said—I am reading from a leaflet of theirs:

"We will impose an immediate moratorium on proposed closures of A and E and maternity units across the country."

Well, in my dictionary a moratorium says a delay or a suspension—it does not say, "We will not close these services." That is the concern that people will have when they look at what the Conservatives are saying. They may then realise that the Conservatives did not want this information in the public domain and wanted to undermine the campaign because they are not committed to maintaining these services as fully as we are. I hope that they will change their minds as a result of what we are doing tonight and what we are putting into the public domain. It is not good enough for them to sit on the fence and talk about moratoriums when the people of Kingston and Surbiton, Richmond Park and Twickenham want to ensure that these services are not lost.

Who is to blame? We know about the Government's spending plans. They are talking about a real-terms freeze on health spending for the next four or five years; no doubt the Minister will be able to give us more detail. That sounds okay—they are going to maintain spending in real terms—but then we look at the fine print, which says that in each year while there is a real-terms freeze there will have to be a 3.5 per cent. efficiency saving. Over five years—do the maths—that is getting on for a 20 per cent. reduction in resources across the capital. I hope that the Minister will give us his figures on this. If he denies our figures, he needs to tell his NHS managers, because the figures came from them. They have said that over the next five years we are looking at cuts of possibly up to £5 billion across London's NHS and £600 million in south-west London. That is a lot from a relatively small part of London.

We are told that half the savings will be made in cuts to mental health services, primary care and community health services and the other £300 million in cuts to the acute sector. It will be interesting to see whether the Minister confirms that or denies it, because those are the figures to which NHS staff are working and what they say the Government tell them to work to. Considering the financial difficulties faced by this country in the years ahead, no one will deny that we must find ways to make savings, but those are not the savings that the Government should be making. Cuts to front-line services are unacceptable.

Some people are saying that the savings are due to the introduction of polyclinics. If that is the case, let us have that debate, but it is interesting that although Surbiton hospital in my constituency is scheduled to be modernised by becoming one of the new polyclinics, the services that the Kingston NHS trust is discussing are not services that will be closed at Kingston hospital. No one is suggesting that accident and emergency, maternity or paediatric inpatient services should move to Surbiton; the trust is saying that out-patient services will move. That is not controversial in our area. I have spoken to NHS Kingston and the hospital, which say that the services could move from Kingston to Surbiton hospital with their blessing as long as they are involved. There is absolutely nothing wrong with that, but it prompts the question why the Government are pursuing those plans.

Mike Penning: If the case that the hon. Gentleman and the hon. Member for Richmond Park (Susan Kramer) are making is true, why did the Liberal Democrats have to use an activist to spin the story to the *London Evening Standard*, as reported by Guido Fawkes? The hon. Gentleman likes online information; well, here is some:

"Guido reported on Friday the tale of the Lib Dem activist boasting about his spin that got the *Standard* to report"

the proposed closure of Kingston hospital. Is that person still a member of the Liberal Democrats, or has he been thrown out?

Mr. Davey: It is interesting that that is the best that the hon. Gentleman can do, having visited Kingston hospital last week. We are talking about unpublished documents from the NHS that have come into our hands confirming our charge that the Government had secret plans that they would not allow to be published. We are debating not Guido Fawkes, but NHS documents that are now in the public domain. If the hon. Gentleman relies for his health policies on Guido Fawkes, he has problems. He ought to be reading the NHS documents that show that what we are saying is correct and what he and his colleagues say is wrong.

Mike Penning: Interestingly, the hon. Gentleman says that he has the final draft. The full copy was leaked to me; it dates from 15 January, not 18 December. I will give him a copy after the debate. A reputable journalist—actually, he is a journalist from the *Daily Mail* who supports the Labour party—was sitting opposite that Liberal Democrat activist, who was boasting on the phone that he had spun a story that was not true to the *London Evening Standard*. Is that person still a member of the Liberal Democrats, and why did they have to spin a story to a local paper if all the facts were there to be publicised?

Mr. Davey: I am sure that the hon. Gentleman listens to all Conservative activists, as they often give some very rum quotes. We are talking about two Members of Parliament who met four chief executives and one medical director, and who had NHS documents that we are putting in the public domain. That is serious politics, unlike the politics that he seems to go in for.

I am grateful to the Kingston *Informer*, the Kingston *Guardian* and the Surrey *Comet*, which have attended our press conferences, listened to what we have had to say, read the documents that we have put in the public domain and reported our campaign fairly. I am grateful to my right hon. Friend the Member for Sheffield, Hallam (Mr. Clegg), whose wife Miriam gave birth to their third son at Kingston hospital. My right hon. Friend can vouch personally for its excellent service. He has come down to join and support our campaign to save these services.

Will the Minister ensure that all the documents will be put into the public domain in full? We want a debate based not on myths and half-truths but on the full facts. We have now got the facts, and we want all the back-dated documents and all the working papers. We want to see the assumptions that the NHS, the McKinsey consultants and others are using to come up with these ludicrous proposals.

[Mr. Davey]

More than that, we want the Minister to give the people of Kingston and Surbiton, the people of Richmond Park, the people of Twickenham and the people of south-west London a guarantee that Kingston hospital's A and E and maternity units, its paediatric in-patients department and its elective surgery facilities—all of which have had important investment from the Labour Government in recent years—are not going to be closed. We need a guarantee that the investments and the campaigns that have been run to build up our hospital are not going to be given up on. The people of my constituency want the hospital's services to be saved, and it would be outrageous if secret, undisclosed plans that are being looked at by unelected bureaucrats were to produce a fait accompli for the next Secretary of State for Health. It is time that we had this debate, and I hope that the Minister will ensure that it can be a fully informed, public debate.

10.16 pm

The Minister of State, Department of Health (Mr. Mike O'Brien): Thank you for allowing me to respond to the debate, Mr. Deputy Speaker. I agree with one word that the hon. Member for Kingston and Surbiton (Mr. Davey) used; he said that this was outrageous. The hon. Member for Richmond Park (Susan Kramer) also used the word. It is outrageous: here we have a cynical winding-up of the electorate, and it is very sad to see.

Let me go through what is happening, but before that, I should like to begin by recognising the hard work and dedication of the clinicians and staff at Kingston hospital and throughout south-west London.

Mike Penning: I thank the Minister for giving way. I am conscious that I am taking up time, which was not allowed to me by the Liberal Democrats, to talk about my visit to Kingston hospital last week. The staff there are dedicated and professional, and it was a fantastic hospital to visit. It was obvious, however, that morale had been affected by this cynical campaign, and that the staff were worried about what is going to happen. The campaign, which has been conducted for cynical purposes on behalf of the Liberal Democrats, has affected the staff at the hospital.

Mr. O'Brien: It is little wonder that some members of the public have become cynical about politicians, when we hear what we have just heard in the debate.

The local community is rightly proud of Kingston hospital, and it sits within an area that has worked hard to improve the health of its population. NHS services in south-west London and across the capital have seen great improvements in recent years. The hon. Member for Kingston and Surbiton suggested that that was all down to himself and the hon. Member for Richmond Park; I suggest that it has something to do with the investment that this Government have put in. No credit was given for that in their speeches, however; there was just a bit of party political knockabout from both hon. Members during the debate. Again, that is just a sad reflection on them.

The NHS in London has improved access to GP services and community health services, reduced waiting times in accident and emergency, and transformed cardiac services. This is certainly a success story, but it is only the beginning. Access to primary care needs to be further improved, to reduce the reliance on accident and emergency departments. The NHS faces increased demand for maternity and children's services, and it must, as the hon. Lady suggested, respond to that challenge, ensuring that those services are adequately staffed by properly trained professionals.

Today, advances in medicine and technology mean that more and more patients can be treated and cared for in their own homes and communities. We can do better for the people of south-west London, and the central question here is how that should be done. That is why five clinical groups have been working, as both hon. Members well know, to review the clinical evidence—I emphasise that it is clinical evidence—from doctors and other NHS professionals for changing health care services, so that we can better meet local needs. Clinicians have identified a case for improvement. Ministers and officials in the Department of Health have not seen that work by those five clinical groups. It is being done locally in order to try to evaluate the best service for the NHS in that area. It is not—I emphasise this point, because it was one of the hon. Members' outrageous claims—some secret Labour plan or plot to reduce services. Far from it, over the coming months clinicians will refine their ideas and start to think about how the challenges that I have identified can be addressed.

Clinicians have identified other areas for further work, such as the provision of diagnostics in community and children's palliative care. It is anticipated that the clinical working groups will identify a range of options in the summer of 2010 to provide a clinically and financially viable health care service for south-west London. That will form the basis of further discussion between clinicians, patients and stakeholders with a view to making some proposals. I have not been party to that, nor has the Department of Health, so the claim made by both hon. Members that we have a political agenda is a complete cynical invention. The only agenda is the open Darzi agenda of trying to improve health care in London, based on the clinical need to improve the quality of care.

Mr. Stewart Jackson (Peterborough) (Con): Does the Minister agree that the Liberal Democrats have form in this area? Does he recollect that the hon. Member for Manchester, Withington (Mr. Leech) campaigned against the "imminent" closure of the Christie hospital in Manchester five years ago? Funnily enough, that hospital is still open.

Mr. O'Brien: It is indeed still there, and the Liberal Democrats have a record of running scare stories and asking people to join the campaign by sending in their addresses, petitions and email addresses. They can then canvas those people—it is all about elections.

The hon. Members mentioned a document, but I have never seen this document. I also asked my officials this morning, and apparently no one in the Department of Health has seen it either. I do not doubt that there is a document, but it is being dealt with locally by the five groups of clinicians that I have mentioned. I gather that it is also being dealt with by the NHS in south-west London. I am told that it is very tentative, unformed and informal. It is certainly no Government plan or a final document in any sense. It is part of a discussion

that may lead to some conclusions at some point, perhaps at the end of the year or next year, when some further discussions and engagement with stakeholders might arise. The hon. Members know about that process because they have been briefed on it repeatedly by officials, so there is nothing secretive about it.

The clinicians are trying to have a discussion without politicians coming in and stirring up unjustified allegations that all the services are now somehow under threat. The discussions are about how the services can be improved. As for cuts, the NHS PCTs will get a 5.5 per cent. overall increase in funding next year and the same this year. I simply do not accept the argument that large cuts are needed, as suggested by the hon. Members. Yes, NHS managers have been asked to find savings. Yes, they have been asked to identify where money can be found—not to make cuts, but to redirect the funding into better services for the people who elect those two hon. Members.

Mike Penning: Does the Minister agree that it would have been very easy for other political parties, not least my own, to jump on the Liberal Democrats' bandwagon of scaremongering? As he knows, I have campaigned against Labour cuts on many occasions, but when there has been proper information and documentation. Has scaring the electorate at this stage damaged the consultation or enhanced it?

Mr. O'Brien: At the moment, some clinicians and managers are meeting and asking, "What are the options here? How can we improve services? How can we ensure that we deal with some of the very serious issues in relation to health care that need to be addressed in south-west London?" We can have a big argument in the media, with every clinician being frightened to speak because the moment they say anything, they will be attacked by the hon. Members for Richmond Park and for Kingston and Surbiton for cynical political advantage, but then where will we get to with the NHS? It will be frozen in aspic, improvements will not be able to take place and there will not be proper discussion of health care.

We need to give clinicians and others room to talk through the options, and when there is some view about what those options might possibly be, they can then come forward and engage seriously with stakeholders. In due course, when there are proposals, they can be properly discussed, but we are a considerable distance from that.

I spoke this morning to Kevin Maguire, the respected *Daily Mirror* political journalist. He told me to check what was going on, and I had a look on his Twitter page. I know that we all need to be careful about Twitter, but apparently he was sitting on a train and updating it. I shall read through what his page said, as he suggested I should. First, he wrote:

"On train a bloke's boasting on mobile he got Evening Standard to claim Lab has secret plans to shut Kingston Hospital".

The next post was:

"Train bloke now boasting the hospital scare story cooked up at his kitchen table. Very proud of Facebook following".

Next:

"He's 'a manifesto to write'. Tory? Wearing Hibs scarf. Clocking his details. May sneak photo to track down. Or could always ask!"

The next post begins, "Name's Dan", and then gives part of his telephone number and continues:

"Wondering if he's a Lib Dem."

The next post reads:

"Got Hospital Closure Man's pic. Going into meeting then will discover who Dan is".

Then the next one:

"This is the Kingston hospital scare bloke. Anyone know him? He's a loud mouth in public places".

And then:

"Ta all Tweeters. Hospital phone man ID'd as Lib Dem activist Dan Falchikov. He should stop SHOUTING on train".

I bet the hon. Members for Richmond Park and for Kingston and Surbiton wish he would stop shouting on trains, because it appears to have disclosed the nature of what is going on here.

Mr. Davey: Will the Minister give way?

Mr. O'Brien: Only if the hon. Gentleman plans to accept that that gentleman is indeed a Liberal Democrat, and indeed that he and the hon. Member for Richmond Park have been winding this up. They were approached by NHS officials who explained what was going on. It was explained to them properly, honestly and openly that there were going to be discussions. Papers will be circulated, and the one that they have may be one of them—I do not know, I have not seen it. It certainly is not Labour or the Department of Health that is putting it forward.

Mr. Davey *rose—*

Mr. O'Brien: The hon. Gentleman can wait, because I spent a lot of time listening to him make a lot of allegations, and I have been left with a very short time to respond to him. He deserves a response, because a lot of people in his area have been frightened by what he says. They are now worried that there is some sort of plan to close these NHS facilities, which there is not, and that there is more going on than just some discussion between clinicians. I accept that that is happening, and it is part of the Darzi process of involving clinicians in discussing how to improve the quality of services, but he and the hon. Member for Richmond Park are playing politics with the matter. I care about the NHS, and I actually think that behind it all they do too. What they are doing, however, is trying to frighten people into believing that services are definitely closing, when all that is going on is some discussions between clinicians. What the eventual proposals will be I do not know, and nor does he. We should not at this stage use scare stories like this for election purposes, in a cynical way—

10.30 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Tuesday 9 February 2010

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

JUSTICE

The Secretary of State was asked—

Youth Reoffending Rates

1. **Andrew Selous** (South-West Bedfordshire) (Con): What recent steps his Department has taken to reduce reoffending rates for young offenders. [316129]

The Minister of State, Ministry of Justice (Maria Eagle): Since 2000, the frequency of juvenile reoffending has dropped by more than 20 per cent.—the trend is significantly downwards. The number of first-time offenders coming into the criminal justice system is also down. Our approach to reducing reoffending still further is detailed in the youth crime action plan, which is backed by £100 million of funding. The plan focuses on a triple-track approach of tough enforcement, non-negotiable support and prevention.

Andrew Selous: Given that many hundreds of young people who commit crime have previously been behind bars on three or more occasions, why are there no major incentives for young offender institutions to be rewarded for cutting reoffending rates?

Maria Eagle: I am interested in incentives throughout the system, but it is difficult to attribute a particular cut in reoffending to the actions of one particular institution, course or individual. So although incentives are a good and fine thing, designing what they are and how they work is slightly more difficult.

Keith Vaz (Leicester, East) (Lab): I thank the Minister for giving evidence this morning to the Select Committee on Home Affairs inquiry into crime prevention, when I mentioned to her a group that we had met called User Voice. It is a group of ex-offenders who wish to help to prevent young offenders from following the path into crime. Will she meet the group and thus recognise the importance of young ex-offenders who are trying to be a model to prevent others from getting involved in crime?

Maria Eagle: It was of course a great pleasure for me to give evidence to the Committee this morning—the time passed very swiftly. I am more than happy to meet the group to which my right hon. Friend refers. I meet groups of ex-offenders in my constituency who believe that mentoring can be an excellent way of trying to turn those who are on the path into custody away from crime.

Mr. David Burrowes (Enfield, Southgate) (Con): In 2007, the Government talked about

"delivering improved outcomes for young black people in the criminal justice system".

However, the latest published figures show that among 15 to 17-year-old prisoners, 17 per cent. of those on remand and 13 per cent. of those sentenced are black. Given the year-on-year increase in the over-representation of young black people in custody, how does the Minister rate the performance of the designated ministerial champion tasked with reducing those numbers? I refer of course to the Justice Secretary.

Maria Eagle: I rate my right hon. Friend extremely highly; he is very good at everything he does as far as I am concerned. The particular issue that the hon. Gentleman raises is very difficult, and we must recognise that black and minority ethnic people are still over-represented in our criminal justice. The reasons for that over-representation are complex. Work is going on to try to tackle it but, as he rightly says, there is still a lot to do.

Education and Training

2. **Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): What education and training opportunities are available to offenders (a) on remand and (b) serving short-term custodial sentences to help them find employment following release. [316130]

The Minister of State, Ministry of Justice (Maria Eagle): We have increased spending on education and training threefold in the past few years. In prisons we provide a curriculum with a broad focus on employability, ranging from preparatory employment skills, literacy and numeracy, to higher level qualifications and skills training. A new unit-based qualifications and credit system will be particularly valuable for those serving short sentences, as it will allow learning to take place in short modules, which can be continued out in the community.

Mr. Sheerman: My hon. Friend would be very welcome to come before my Select Committee, which is currently examining the not in education, employment or training—NEET—population. We are finding that a large number of young people who begin short custodial sentences or spend a long time on remand break their education and find it very difficult to get back, so can we have more of these short courses and can they be well funded?

Maria Eagle: My hon. Friend rightly says that there is an issue to address in respect of ensuring that people who have not engaged in education and training at the earliest possible opportunity in their lives get a chance to do so and are helped to stick at it in whatever setting. I have been collecting Select Committees lately. If that was an invitation, I might just come along to his Select Committee to tell him what I think about this and his fellow members of the Committee—*[Laughter.]*—I said "if" that was an invitation. I am happy to say that the

number of 16 and 17-year-old NEETs in the system has been falling and now stands at 5.2 per cent., but there is clearly more to do in that respect.

Mr. Humfrey Malins (Woking) (Con): Education and training opportunities, especially for young offenders, are still very poor. At Reading young offenders institution, for example, there are only five hours a week of education and training, and at Rochester only three and a half hours. Why are those figures—they are Government figures—so bad?

Maria Eagle: In the YOI estate, we aim for 25 to 30 hours of education and purposeful activity. I realise that outcomes vary across the estate, and we strive to improve that because it is something that can make a difference to the lives of these young people.

Mr. David Drew (Stroud) (Lab/Co-op): Visiting prisons and young offenders institutions in my area, one notes how variable the facilities are. Younger people often need hands-on experience with equipment to gain technical expertise. Is that something that the Government are making efforts to improve?

Maria Eagle: Yes. We have a corporate alliance of 100 employers across various sectors, many of which actually provide work-based training in prisons and young offenders institutions, which give those who take the courses not only employment while in prison but qualifications and, sometimes, the promise of a job when they leave prison. That has to be the way forward. Some 38 per cent. of those released from custody are released into education and training, and 26 per cent. into employment.

Alan Duncan (Rutland and Melton) (Con): Is not the greatest impediment to training and getting a job the simple fact that all the efforts to help an offender upon release from prison are fragmented, and the first person they are likely to meet when they step through the prison gate with £40 in their pocket is the local drug dealer? What plans do the Government have to ensure that national offender management becomes genuinely local offender management, and that the ex-offender is met at the gate by someone responsible for their rehabilitation, so that over time reoffending is dramatically reduced?

Maria Eagle: While the Conservatives talk about a rehabilitation revolution, the Government have been providing it and we already have such schemes. Because of the creation of the National Offender Management Service and closer working together at a local level in education, health and local authority services such as housing, this is already happening. I am not saying that we cannot do more—we can, and we must—but the Conservatives should recognise the significant impact that has already been made on reducing reoffending.

Civil Litigation Costs

3. **Paul Rowen** (Rochdale) (LD): What assessment he has made of the recommendations in Lord Jackson's review of civil litigation costs; and if he will make a statement. [316131]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): Lord Justice Jackson's review was published on 14 January. Anybody who has read its 550 pages—as I am sure the hon. Gentleman has done—will note that it is remarkable for its thoroughness and imagination. It makes recommendations for fundamental reforms to reduce costs in the civil justice system. We are now actively assessing the implications of Sir Rupert's proposals, including—crucially—their economic impact.

Paul Rowen: Does the Secretary of State accept that if the proposals are implemented, especially those on litigation costs for industrial personal injuries, it will be ordinary men and women with, say, asbestosis or byssinosis who will lose out? That will be in direct opposition to the commitment made on behalf of the Government by the right hon. Member for Ashfield (Mr. Hoon) on 14 April 1999, when he said that the costs of litigation should lie, in the first place, with those who have actually caused the damage.

Mr. Straw: I am afraid that I do not share the hon. Gentleman's opinion about the impact of Lord Justice Jackson's proposals, which are designed to reduce the costs of civil litigation overall. Those costs have risen too high, and that is a bar to proper access to justice. Of course, he makes scores of interlinked recommendations, and they have to be examined with great care, but I hope the hon. Gentleman will do Lord Justice Jackson justice—no pun intended—given the thoroughness of his report, and recognise that his whole aim was to reduce costs and improve practical access to justice.

Rob Marris (Wolverhampton, South-West) (Lab): I am a non-practising solicitor because I do not believe in moonlighting. Will my right hon. Friend assure me that when considering implementation of the Jackson review he will seek to avoid lessening access to justice, with fewer so-called no-win, no-fee agreements or a greater burden on the already stretched legal aid system?

Mr. Straw: I know that legal aid is understandably a matter of concern, but it must be said that the legal aid system in England and Wales, both for civil and criminal legal aid, is by far and away the most generous system in the western world. It compares by a factor of about three with systems in comparable common law jurisdictions, such as Australia and New Zealand. Part of the problem concerning the burden on the civil legal aid fund and the public purse from, for example, actions for medical negligence are the costs of litigation. Those are in nobody's interest, except those who directly benefit. Lord Justice Jackson has made specific proposals for conditional fee arrangements: he proposed that they should be abolished and replaced by an alternative of contingency fees, under which the litigant, applicant or plaintiff would pay his or her side's own costs out of any damages recovered, and that there be a 10 per cent. uplift in damages. That is a central recommendation of Lord Justice Jackson's review, which, as I have already made clear, we are examining with great care.

Mr. Henry Bellingham (North-West Norfolk) (Con): We, too, welcome this remarkable magnum opus. The Secretary of State will be aware that Lord Justice Jackson was very critical of referral fees and some of the practices of claims management companies. What is the Secretary

of State's view of that, and can he now give a cast-iron guarantee that when it comes to referral fees and claims management matters, there will be no special exemptions or cosy deals for the trade unions?

Mr. Straw: I am not intending that there should be any cosy deals with anybody in the implementation of the report. The hon. Gentleman will, I am sure, have read with care chapter 20 of the Jackson report.

Sir Patrick Cormack (South Staffordshire) (Con): I have read every word of the report.

Mr. Straw: There will be an examination straight after this.

The recommendations for referral fees actually came not from the trade unions but directly from the Office of Fair Trading, which still supports referral fees. That said, I fully understand the objections raised by Lord Jackson about referral fees. We have to look at all the recommendations in the round and make judgments in the round, not least after the economic assessment that we are making at the moment.

Reoffending Rates

4. **John Robertson** (Glasgow, North-West) (Lab): What steps he plans to take to reduce the number of prisoners reoffending within two years of release; and if he will make a statement. [316132]

The Minister of State, Ministry of Justice (Maria Eagle): We have had substantial success in reducing youth and adult reoffending, which fell by 23.6 per cent. and 20.3 per cent. respectively between 2000 and 2007. The Government will continue to work towards driving down reoffending and to ensure that, alongside punishment, we also try to reform offenders.

John Robertson: I thank my hon. Friend for that answer. She will be aware that there is something of a revolving door as two thirds of people are reoffending. We are now talking about 20,000 extra places being made available for people who have committed crimes. Should we not be looking at why these crimes happen and why people get involved in criminality in the first place, and trying to prevent them from ever getting involved in criminality?

Maria Eagle: Of course we should, and we do both. It is not unconnected, in my view, that crime has fallen by one third and that we incarcerate serious and dangerous offenders for longer. Those things are not unconnected. Violent crime is down by 41 per cent., although the Conservative party appears unwilling to accept it. There are fewer victims of crime than ever before and one now has the lowest chance of being a victim of crime since records began. These are substantial achievements that the Conservative party ought to recognise.

David Howarth (Cambridge) (LD): It is disappointing to hear a Minister still claiming that the fall in crime has to do with the increase in the prison population, given that the same fall in crime has happened throughout Europe, apart from Belgium, without the same prison policy being in place. Does the Minister not recognise that the real underlying problem is that too many people are in prison in the first place for crimes that would be better dealt with by systems that work, such as restorative justice and getting them off drugs and drink?

Maria Eagle: We have increased fifteenfold the amount of money that we spend on drug interventions in prison and the amount we spend on providing prison education threefold. They are substantial achievements. Some 38 per cent. of those leaving prison enter education and training; 26 per cent. get a job and 80 per cent. enter settled housing. That is tackling the underlying causes of crime. Not only do we protect the public by incarcerating dangerous and severe offenders for longer, but we tackle the causes of crime.

Julie Morgan (Cardiff, North) (Lab): What progress have the Government made on ensuring that offenders have bank accounts when they leave prison? Without bank accounts they cannot access accommodation or employment, and they are one of the things that help to prevent reoffending.

Maria Eagle: My hon. Friend is right. We have some arrangements between bankers and the Department, and through those we are exploring the provision of basic bank accounts to offenders. Clearly there are difficulties, and some banks have concerns about allowing a certain type of offender to have a bank account. However, we believe that we can overcome some of those difficulties by continuing to discuss such matters, and we are seeing some progress in that regard.

Mr. Dominic Grieve (Beaconsfield) (Con): Neither reducing reoffending nor public protection is served by this Government's reckless early release scheme. Can the Minister tell the House whether she or the Secretary of State plans to announce the end of early release before 6 May?

Maria Eagle: I cannot say anything other than that we keep the matter closely under review. The policy was announced as a temporary measure to deal with overcrowding. We have said that we want to end it as soon as practically possible, and I, my right hon. Friend the Secretary of State and others keep that under review frequently.

Mr. Grieve: That was a gentle masterpiece of obfuscation, so let me try again. Can the Minister confirm that the official advice that she and the Secretary of State are receiving from their Department or the Prison Service warns against ending early release now, because the lack of cells means that it would have to be reintroduced in a matter of weeks or months? Can she reassure the House that there are no plans to leave the next Government the poison pill of a looming prison crisis?

Maria Eagle: I am not about to start bandying official advice across the Dispatch Box, and I do not think that any Minister, in any Administration, would seek to do that. I will therefore not rise to the bait that the hon. and learned Gentleman is dangling before me. Beyond saying that we keep the matter, which we take very seriously, under constant review, I have nothing to add.

Re-registration (Service Personnel)

5. **Mr. Andrew Robathan** (Blaby) (Con): What assessment he has made of the merits of ending the re-registration requirement for service voters. [316133]

The Minister of State, Ministry of Justice (Mr. Michael Wills): Ending re-registration altogether would create inaccuracies in the register. However, the Government recognise the need to respond to the special circumstances of service voters. That is why we have laid before Parliament an order that extends the declaration period for service voters from three to five years, and why we are taking forward further measures to help service voters to register to vote and, indeed, to vote.

Mr. Robathan: Before the last general election I took this matter up because I discovered that there were shamefully low levels of service voter registration. I welcome what the Government have said. I last had a meeting with the Electoral Commission in, I think, October, when we discussed this. I am sure that, like me, the Minister wishes to make it as easy as possible for people fighting—and possibly dying—in places such as Afghanistan to be able to vote. May I therefore urge him to reconsider so that perhaps people could register as service voters when they join the forces, as I did, and then de-register when they leave? That would be very easy: it worked in those days, and I managed to vote Conservative throughout those days as well.

Mr. Wills: I thank the hon. Gentleman for his interest in the matter. He brings a lot of experience to it, and I am grateful to him. I agree with him entirely: it is crucial that those who are prepared to make such sacrifices for their country should be able to have that important say in the future of their country. There is no question about that. I will of course take into consideration what he has said. We have set up a working party, with Ministry of Defence officials, Ministry of Justice officials, and representatives of the families and the armed services, to see how we can achieve long-term solutions to what is a difficult problem.

I very much welcome the hon. Gentleman's suggestion. I promise him that we will take it forward and have a look at it. I know that he will agree with me and would not want to recreate the sort of inaccuracies that were in the register before 2000. However, I can reassure him that we are making efforts to ensure that our servicemen in Afghanistan in particular are enabled to register to vote in the forthcoming election, and then able to vote. The proxy vote system is available to everybody. We are trying to expedite postal voting for service personnel as well, and we will be announcing measures to that end shortly.

Prisoners Maintaining Innocence

6. **John Hemming** (Birmingham, Yardley) (LD): What recent estimate he has made of the number of people in prison who maintain their innocence. [316134]

The Parliamentary Under-Secretary of State for Justice (Claire Ward): The information requested is not collected. A person who believes that they have been the victim of a miscarriage of justice can appeal against their conviction. If the appeal is unsuccessful, the Criminal Cases Review Commission can be asked to review the case. The commission has the power to refer a conviction to the Court of Appeal.

John Hemming: I thank the Minister for that answer. Does she think there would be any merit in the Government undertaking a study of miscarriages of justice, and of the correlation between unevidenced assertions and compensation in miscarriage of justice cases?

Claire Ward: There is absolutely no evidence to suggest that the number of wrongful convictions is rising. The Court of Appeal quashes about 200 convictions each year, and I see no reason at all to make any change to the current arrangements.

Dr. Stephen Ladyman (South Thanet) (Lab): One group of people who often have difficulty expressing and establishing their innocence are those on the autistic spectrum. In the state of Maryland in the United States, this is being tackled by the Maryland curriculum, which trains court officers and police officers to recognise autistic behaviour. Would my hon. Friend be prepared to review the Maryland curriculum to see whether there would be any merit in introducing such a scheme in the United Kingdom?

Claire Ward: My hon. Friend has given the House some interesting information, and I would be more than happy to ask officials to look into it in more detail. He might also be aware of the Bradley report, in which my noble Friend Lord Bradley identifies the difficulties experienced by people with mental health and other learning difficulties. The report examines how the criminal justice system should approach these issues and suggests alternative ways of dealing with them, where possible.

David Howarth (Cambridge) (LD): I am disappointed, although not surprised, that the Minister responded to the original question by saying that the Government do not collect this information at all. About a year ago, they said it would serve no useful purpose to collect it. Does she not recognise that there is a useful purpose? When prisoners maintain their innocence, it can often lead to their being held in prison for longer, perhaps because they are held not to have completed various courses. Do the Government not see that there would be a purpose in making a study of cases such as those?

Claire Ward: When someone is convicted, it is only right that the system accepts that the court's decision is right and, if they are sent to prison, the prison system should accept the decision on that basis. The person has an opportunity to appeal, and if the appeal is unsuccessful, they also have an opportunity to refer the case to the Criminal Cases Review Commission. The hon. Gentleman seems to be suggesting that people who maintain their innocence might not get parole or be considered appropriately. It would not be lawful for the Parole Board to exclude someone from an opportunity for parole simply because they maintained their innocence. There are some courses that it would be inappropriate for such people to attend, such as sex offending treatment, simply because if they could not admit their offence, it would be difficult to discuss with them how they were going to progress from it.

Self-harm (Female Prisoners)

7. **Mr. Eric Illsley** (Barnsley, Central) (Lab): What recent estimate he has made of levels of self-harm in women's prisons. [316136]

The Minister of State, Ministry of Justice (Maria Eagle): About half of all incidents of self-harm across the entire prison estate are perpetrated by women, who comprise only 5 per cent. of the prison population. Levels of self-harm in women's prisons are broadly stable, although they are high. The number of self-inflicted deaths, however, has gone down to a three-year average of 60, which is a significant improvement on the past few years.

Mr. Illsley: I am grateful to my hon. Friend for that response. On a recent visit to New Hall women's prison, I was shocked to see the levels of self-harm among very vulnerable females. Some of the women are serving jail sentences for offences such as the non-payment of their television licence fee. Is there more that the Government can do to reduce the serious level of self-harm in women's prisons?

Maria Eagle: We are taking steps to try to deal with serious self-harm in all our prisons. One of the best ways of preventing vulnerable women from self-harming is to try to provide alternatives to custody for petty offences. This enables the women to remain in the community while tackling their offending behaviour. In that respect, using the £15.5 million of extra resources that we have made available to divert women from custody is probably the best way of tackling this issue.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Given what the Minister has just said and given the overwhelming evidence recently provided in the Corston and other reports, it is clear that far too many women in prison should not be there. More should be done, as it has been estimated that up to half the female prison population should not be in prison—we really should grasp this nettle and act urgently.

Maria Eagle: I am doing my best to do that. The hon. Gentleman's analysis that some women in prisons should not be there may well be correct, but it is sentencers who send people to prison and we have to provide places for them. We have to find alternatives in the community for many of these vulnerable women that command the respect and support of sentencers. That is what some of the money in the diversion projects I mentioned is being used to do. It shows some progress that there has been a 4.2 per cent fall in the number of women in prison over the last year during which these projects have been working, while at the same time the male prison population has increased by 2 per cent.

Mr. Speaker: May I gently say that the comprehensiveness and courtesy of ministerial replies is greatly appreciated by hon. and right hon. Members, but I think that the abridged rather than the "War and Peace" version will suffice.

Mrs. Madeleine Moon (Bridgend) (Lab): I very much welcome what my hon. Friend said about providing diversionary tactics for women in prison. Welsh women, if sentenced to a period in prison, have to serve their time in England at some considerable distance from their families. What ways can be found to help to ensure that there are greater diversionary opportunities for sentencers in Wales so that women are able to serve their sentence closer to family support in Wales?

Maria Eagle: My hon. Friend is correct: about 50 or so Welsh women are serving their prison sentences in English jails, as there are no women's prisons in Wales. We do not intend to build one, but we are providing support both in south and north Wales for diversionary projects that might enable sentencers not to impose short prison sentences for those who really would do better with community sentences.

Burglary Sentences

8. **Mr. Laurence Robertson** (Tewkesbury) (Con): What progress has been made in his review of sentencing for people convicted of burglary offences. [316137]

The Parliamentary Under-Secretary of State for Justice (Claire Ward): The maximum sentence for burglary of dwellings is 14 years; for non-domestic burglary, it is 10 years; and for aggravated burglary, it is life. Within the statutory framework, it is for the Sentencing Guidelines Council to issue guidelines to the judiciary. The SGC issued guidelines for non-domestic burglary in 2008; following *R. v. Saw* in 2009, it is currently preparing guidelines for domestic burglary.

Mr. Robertson: I am grateful to the Minister for that answer. Twelve months ago, the Secretary of State and the then Minister of State said that they were looking at toughening up the sentencing policy for burglary offences. Will the Minister tell me what is happening with first-time offenders who commit burglary?

Claire Ward: Within the statutory framework, it is of course for the courts to determine what is appropriate, and the framework is quite extensive. As a result of that framework, we are seeing that the average custodial period for burglary has increased from 15.5 months in 1998 to 17.4 months in 2008. Overall, burglary has more than halved since 1997.

Returning Officers

9. **Mr. Andrew Mackay** (Bracknell) (Con): If he will take steps to strengthen accountability arrangements for returning officers. [316138]

The Minister of State, Ministry of Justice (Mr. Michael Wills): The Government are aware of concerns that have been raised in Parliament about the accountability of returning officers and registration officers, and we are exploring ways to address them. I have to say to the right hon. Gentleman that any changes should take place only if they support the principle of the independence of these officers.

Mr. Mackay: Notwithstanding that independence, does the Minister not agree that he should make it very clear to returning officers at the forthcoming general election that unless there is very good geographical case against, all counts should take place on the night?

Mr. Wills: I can assure the right hon. Gentleman that on a personal level I have made that very clear, as indeed has my right hon. Friend the Justice Secretary. I think that that is a settled view across the House. However, as the Minister responsible for elections, I have to proceed in a way that respects the integrity and independence of the system and of those officers. As I have said, we are exploring ways of addressing this issue; we will announce the outcome of that review very shortly.

Geraldine Smith (Morecambe and Lunesdale) (Lab): I welcome the Minister's comments, but does he appreciate that this is a cross-party issue? Indeed, we agree with Mr. Speaker when he says that we do not want slow-motion democracy, but instant democracy. In a modern democracy, we should be able to achieve that.

Mr. Wills: I entirely agree with my hon. Friend. She and many other Members in all parts of the House have made the same points extremely cogently in recent weeks, and their concerns have been taken on board. As I have said, we will announce the result of our explorations very shortly.

Mrs. Eleanor Laing (Epping Forest) (Con): I know that the Minister is well aware of the strength of feeling and cross-party opinion on the matter referred to by the hon. Member for Morecambe and Lunesdale (Geraldine Smith). He will have seen the massive number of signatures attached to an early-day motion on the subject, he was present at a debate in Westminster Hall last week, and he will know that new clause 98, tabled to the Constitutional Reform and Governance Bill, is due to be debated this evening.

The Minister has been offered a great opportunity to take action to preserve the constitutional convention under which the government of our country is determined without delay after a general election. Either he can accept new clause 98, or the Government can present further proposals to give powers to the Electoral Commission forthwith to ensure that election night is not lost and democracy is preserved.

Mr. Wills: I have already made clear my great personal sympathy with the view that has just been expressed so cogently by the hon. Lady. Her new clause plays a valuable part in the debate, and I will respond to it at the appropriate time rather than during Question Time. However, while I share her views on a personal level, I am sure that all Members would wish to preserve the other fundamental constitutional underpinning of our electoral system, namely the independence and integrity of the returning officer.

Tony Lloyd (Manchester, Central) (Lab): Does my right hon. Friend accept that this question is not really about protecting the independence of the returning officer, but about protecting the right of the British people to know the results of our election at the earliest possible opportunity? I do not always agree with Opposition Front Benchers, but in this instance they are absolutely right. New clause 98, or another one, would come in very handy to concentrate returning officers' minds.

Mr. Wills: I have already made clear several times that I personally agree entirely with my hon. Friend's point. However, it is very important—I ask all Members to respect this—that we proceed in a way that does not give the impression that politicians are interfering with the independence and integrity of the electoral system. We know the view of Members in all parts of the House, and we must find a way of meeting it that does not compromise those fundamental constitutional principles.

Probation Service

10. **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): What plans he has to improve the performance of the probation service. [316139]

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): The performance of the probation service has improved significantly in recent years from the variable and insufficiently supervised base that I found on becoming Home Secretary in 1997. Since then funding has increased by 70 per cent., staff numbers by 49 per cent., and case loads by 53 per cent. All but one of the 41 probation areas are meeting or exceeding their targets, but the whole service is committed to driving up standards further. I have no doubt that the introduction of probation trusts is providing its own dynamic for change and improvement.

Mr. Vara: I am grateful to the Secretary of State for his answer, but is he aware that, owing to the Government's obsession with bureaucracy and centralisation, the probation service now uses a plumber from Birmingham to fix a loo seat in Norwich, and an electrician from Devon to change a light bulb in Birmingham?

Mr. Straw: I think that the hon. Gentleman is referring to the rather unsatisfactory shared-facilities arrangement that was entered into some years ago. I was not aware that it had led to the situation that he has described, but I am certainly aware of concern about it. I have received representations about the arrangement from many probation officers and probation trusts, and we are trying to disentangle the service from it.

National Victims Service

11. **John Howell** (Henley) (Con): How much his Department plans to spend on the national victims service in 2010-11. [316141]

The Parliamentary Under-Secretary of State for Justice (Claire Ward): The national victims service has been allocated £8 million for the financial year 2010-11. Of that, £2 million will be allocated to the homicide scheme, and the remaining £6 million will provide the enhanced service for other victims of crime. The service will be delivered, in partnership with the Government, by the charity Victim Support. It builds on huge improvements for victims in the past 10 years to change the culture of the criminal justice system in responding to the practical and emotional needs of victims.

John Howell: I thank the Minister for her response, but Ministers have already said that the national victims service will be funded from efficiency savings in the Department. Will the Minister tell us precisely how those efficiency savings will be made?

Claire Ward: We have already allocated the funding, and we have made the efficiency savings. The money has not been taken away from other victims' services provided by the Department. What we do with that money is important. Victim Support already provides a good service, and I am absolutely confident that the national victims service will provide an even better one.

Electoral Registration

12. **Chris Ruane** (Vale of Clwyd) (Lab): What steps his Department is taking to increase the rate of electoral registration. [316142]

The Minister of State, Ministry of Justice (Mr. Michael Wills): The Electoral Administration Act 2006 imposed new duties on electoral registration officers to take all necessary steps to ensure a comprehensive and accurate register and to encourage voting. The phased implementation of individual registration across Great Britain will be supported by a drive to improve registration rates.

Chris Ruane: I thank my right hon. Friend for that reply. What measures might his Department take to ensure that the money it sends to the Department for Communities and Local Government for electoral registration is actually spent on electoral registration?

Mr. Wills: I agree that the money that the Government allocate to local authorities for that purpose ought to be spent on that purpose, but as my hon. Friend well knows, he needs to raise the matter with DCLG Ministers, not those at the Ministry of Justice.

Mr. Nigel Dodds (Belfast, North) (DUP): In areas of very low registration, is there not a case for resources to be targeted, so that there can be active canvassing of households in order to ensure much greater registration in those areas?

Mr. Wills: The hon. Gentleman makes an important point. We know that there are fundamental disparities in registration rates, especially among minority ethnic groups, people in privately rented accommodation, unemployed people and young people. That is why the Electoral Commission is specifically targeting registration campaigns on those under-registered groups. There is a good case for targeting, and we are doing that.

Mr. Denis MacShane (Rotherham) (Lab): The Minister will be aware that there are about 2 million British citizens living as immigrants in other EU countries and an estimated 10 million to 12 million living outside our borders all over the world, but just 13,000 of them are registered to vote. That is the lowest figure for overseas citizens who are registered to vote in any democracy. Why is it so low?

Mr. Wills: I suspect that my right hon. Friend already knows that overseas voters are, quite rightly, subject to the same registration requirements. It is often very difficult to find them, but that is not to say that we are not doing everything we can to encourage citizens overseas to register. The Electoral Commission has been carrying out promotional campaigning on the issue, and I hope that my right hon. Friend will come forward with suggestions as to how we can do still better.

Legal Aid

13. **Mr. Mark Harper** (Forest of Dean) (Con): When he next expects to meet the chief executive of the Legal Services Commission to discuss the commission's work in procurement of legal aid in England and Wales. [316143]

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): Meetings are regularly held with the Legal Services Commission, at which a wide range of issues are discussed. One of the key current items on the agenda is the Public Accounts Committee report, which we welcome.

Mr. Harper: I am very pleased that the Minister will be discussing those issues. When she meets the LSC chief executive, will she discuss why it overpaid solicitors by £25 million in 2008-09, why its accounts have been qualified, and why the head of the National Audit Office says that it does not understand the markets in which it is buying services? Is that not an appalling record that needs to be fixed?

Bridget Prentice: If I may just correct the hon. Gentleman, it will not be me who will be meeting the LSC; it will be my noble Friend Lord Bach. Having spoken to Lord Bach, I can assure the hon. Gentleman that he will be discussing the issue of overpayment. Since the NAO report came out, 10 per cent. has already been recovered. We are taking a very robust view on the way in which the whole thing has been dealt with, and I assure the hon. Gentleman that further information will be forthcoming shortly.

Bail Hostels

14. **Mr. John Baron** (Billericay) (Con): What recent assessment he has made of the effectiveness of bail hostels in assisting prisoners' resettlement. [316144]

The Minister of State, Ministry of Justice (Maria Eagle): Approved premises—formerly known as probation and bail hostels—are the most effective form of supervision for many high-risk offenders on release from custody. They are far better than dispersing such offenders into less suitable accommodation elsewhere in the community. While in approved premises, offenders undertake offending behaviour work and purposeful activity to help them reintegrate into the community and reduce the risk that they will reoffend.

Mr. Baron: I thank the Minister for that answer, but Government figures show that a quarter of all those living in bail hostels are returned to prison because they have either reoffended or broken the rules. Does the Minister therefore think it fair that, if our suspects cannot be bailed to their own homes, we should be obliging other communities and neighbourhoods to take them?

Maria Eagle: The fact that there are recalls from approved premises because of breach of rules, absconding, further arrests or remand for other offences is a sign that supervision of those offenders is working. Such offenders are often highly dangerous and pose a high risk of harm. It is better that they are looked after in the

community—which is often the community from which they originally come—with much greater levels of supervision than would be possible in any other way. Many of these people have been released at the end of their sentences and therefore cannot be retained in custody but need to be properly supervised when they are in the community. The fact that many of them return to prison is a sign of success.

Croydon Land Registry Office

15. **Mr. Andrew Pelling** (Croydon, Central) (Ind): What financial provision has been made in respect of staff redundancies at the Croydon land registry office. [316145]

The Minister of State, Ministry of Justice (Mr. Michael Wills): If the proposed closure of the Croydon land registry goes ahead following the consideration of the responses to the public consultation, which closed recently, the estimated figure for redundancies is £11.7 million. The Land Registry plans to announce its final decisions, including a decision on Croydon, and to publish a full-responses document in March.

Mr. Pelling: Will the Minister take a keen interest in such a decision, particularly bearing in mind the fact that the Croydon land registry managed to secure a cost per unit of £14.01, which is much better than the target of £16.54? It is the best performing office of all land registries in terms of its cost per unit. Let us bear in mind, too, the fact that the sale of the building will cost the taxpayer—

Mr. Speaker: Order. The hon. Gentleman is pushing his luck. He got in and he had his opportunity, but he cannot have two bites of the cherry.

Mr. Wills: I will of course continue to take a keen interest in the proposals. I commend the hon. Gentleman for his diligence on behalf of his constituents in Croydon land registry and I know that the Land Registry will consider his remarks with great interest. The results of its deliberations will be announced in March.

Topical Questions

T1. [316154] **Tony Lloyd** (Manchester, Central) (Lab): If he will make a statement on his departmental responsibilities.

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I would like to draw the House's attention to two major reviews that have been announced recently. First, a working party has been established to examine issues relating to the substantive law of libel in response to concerns that our libel laws might be having a chilling effect on freedom of expression. Secondly, there will be a review of the family justice system in England and Wales to ensure that we can improve outcomes for children, support parents as fully as possible and ensure that court time is focused on protecting the vulnerable. These important issues need proper and due consideration and that could lead to a fundamental shift in the way in which family justice is done from the current adversarial system to a more inquisitorial system.

Tony Lloyd: My right hon. Friend will be aware that community payback schemes are not only effective in dealing with offenders but popular with local communities, who believe that they provide valuable payback to the community. Will my right hon. Friend tell the House whether he intends to expand those schemes?

Mr. Straw: My hon. Friend is absolutely right that community payback schemes are increasingly popular. They have become additionally popular since 1 December 2008, when we introduced the high-visibility jackets so that the public could see who the offenders were. The system is working very well and, as I have seen in many parts of the country, the public are now voting on which schemes they want the offenders to undertake. We want to see the schemes expanded. The question of how many offenders end up on them is a matter for the courts, but they are expanding and we back that.

T2. [316155] **Mr. Shailesh Vara** (North-West Cambridgeshire) (Con): Will the Justice Secretary kindly explain why we will be wasting time today debating the alternative voting system rather than all the proposals of the Wright Committee report? We ought to debate them all instead of simply selected items in due course, as the Government propose. We need to discuss the whole report; why are we not debating it?

Mr. Straw: The Opposition are Johnny-come-latelies to the issue of parliamentary reform—[Hon. Members: "Rubbish!"] It is true. It was my right hon. Friend the Prime Minister who ensured that the suggestion from our hon. Friend the Member for Cannock Chase (Dr. Wright) to establish a Committee was implemented. We have wholeheartedly welcomed the report. There will be a full day's debate on the whole report and there will then be votes on it. If the hon. Member for North-West Cambridgeshire (Mr. Vara) has concerns about the items on the Order Paper, my strong advice to him is to talk to his Chief Whip before he next stands up and makes pronouncements about it.

Several hon. Members *rose—*

Mr. Speaker: Order. I am grateful to the right hon. Gentleman for what he has just said. I suppose that his answer is living proof that once a Leader of the House, always a Leader of the House. It was very generous of him to answer what was effectively a business question, but I do not think that we need further supplementaries on that particular matter, which is not relevant to the Ministry of Justice.

T3. [316156] **Mr. Barry Sheerman** (Huddersfield) (Lab/Co-op): When will my right hon. Friend do something about the bloodsuckers who benefit when small businesses or individuals go bankrupt? One of my constituents was bankrupted for a sum of £9,000, but by the time PricewaterhouseCoopers had finished administering the case, she owed £80,000. When I inquired about that case, PWC charged her £800 for answering my letter.

The Parliamentary Under-Secretary of State for Justice (Bridget Prentice): I fully sympathise with my hon. Friend and his constituent. If he wants to give me the details of that case, I will happily take it up not only within the Ministry of Justice but with colleagues in the

Department for Business, Innovation and Skills, because I understand that small firms in particular that have become bankrupt or insolvent need immediate help. We have been doing a great deal of work in that area during the current economic crisis, and I am more than happy to share some of that with him.

T5. [316158] **Greg Mulholland** (Leeds, North-West) (LD): The court fees paid by Leeds city council to cover care and adoption proceedings used to be capped at £150, but on the new scale it pays anything between £2,225 and £4,825. That acts as a tax on keeping children safe. There is the Francis Plowden review to consider, but this matter seems to be taking too long. Will the Justice Secretary say when the issue will be addressed and when the review will be made public?

Mr. Straw: Let me point out to the hon. Gentleman that there was a transfer of funding of £40 million from my Department to the revenue support grant to provide fully adequate compensation to local authorities for the increase in fees. *[Interruption.]* That was not ring-fenced, because local authorities object powerfully to ring-fencing. but they have had the money and we have lost the money. We are now studying Francis Plowden's recommendations with care.

T4. [316157] **Mr. Jim Cunningham** (Coventry, South) (Lab): May I ask my right hon. Friend whether an update of measures on witness protection—more importantly, witness protection in the courts—is under way?

Mr. Straw: We have made huge improvements on witness protection in recent years. The Crown Prosecution Service, the police and the courts now have witness protection measures in place, and some £22 million a year is spent by the police. We changed the law in 2008 to provide for a statutory scheme of witness protection, and that has been further extended by measures in the Coroners and Justice Act 2009 regarding victims of serious gang and knife crime, which will shortly come into force.

T6. [316159] **Mr. Philip Hollobone** (Kettering) (Con): There are 10,000 foreign national prisoners in British jails at the expense of British taxpayers. That is a massive 13 per cent. of the prison population. Will the Lord High Chancellor of all England confirm that, as of this moment, not a single foreign national prisoner has compulsorily been returned to his or her country of origin?

Mr. Straw: The proportion of foreign nationals in prisons in England and Wales is far lower than the European average. In most European countries, it is about 20 per cent. or much higher, particularly in southern European countries, so we are at the bottom of the league table, and I am glad that we are. On compulsory repatriation, the hon. Gentleman will know that it has been a long-standing practice of Governments, including those whom he has supported, for prisoner transfer arrangements to be subject to the consent of the prisoner. We are changing that practice, and the arrangements apply right across Europe.

Mr. Stephen Hepburn (Jarrow) (Lab): Can the Justice Secretary, even in his wildest dreams, think of any scheme dafter than the one under which pleural plaques victims in Scotland are compensated by the British taxpayer while English pleural plaques sufferers get nothing?

Mr. Straw: I obviously understand the concern that my hon. Friend raises, but he will be well aware that Scotland is a separate jurisdiction in respect of civil law. It is therefore inevitable that differences will arise—that is a natural and inevitable consequence of devolution. I understand his frustration about the issue of pleural plaques in this country, which is widely shared, but we continue to look actively for a solution.

T7. [316161] **John Hemming** (Birmingham, Yardley) (LD): The Under-Secretary of State for Justice, the hon. Member for Lewisham, East (Bridget Prentice), is the Minister with responsibility for the family courts. She will recall the meeting that she had with the hon. Member for Wealden (Charles Hendry) and myself, at which we discussed the conflicts of interest that can arise when solicitors are introduced to clients by local authorities and then paid by both sides. What have her conversations with local authorities about this matter brought up?

Bridget Prentice: I have not had any conversations with local authorities on this matter, but I shall be raising it with the Law Society and with other bodies that have a professional interest in it.

Chris Ruane (Vale of Clwyd) (Lab): Ministers will be aware that there are currently 66 electoral registration officers who are not fulfilling their role of registering electors. What can be done to improve the situation?

The Minister of State, Ministry of Justice (Mr. Michael Wills): May I commend my hon. Friend on his diligence in pursuing this matter? It is a scandal that 3 million or more people in this country who are eligible to vote are not able to do so because they are not registered. He has been diligent in trying to improve the situation. As he knows, the Government have taken a range of measures to try to drive up registration rates. The Electoral Commission is now monitoring the performance of all electoral registration officers closely. It is determined to make sure that they all do their job and that the scandal of having 3 million people not on the register when they should be is ended.

T9. [316163] **Paul Rowen** (Rochdale) (LD): Will the Secretary of State tell us when a decision will be made on compensation for pleural plaque victims? He has been saying for 18 months that an announcement is imminent. Will it be made before the general election?

Mr. Straw: The hon. Gentleman is absolutely right to chide me for saying that, and I wish that I could be more precise. However, I—

Mr. Henry Bellingham (North-West Norfolk) (Con): He is going to leave it to us.

Mr. Straw: No, as that would be leaving it for a very long time indeed. Counting chickens is not a wise idea but, to come back to the question, my hope remains that we can make the announcement as soon as possible.

Mr. Tom Watson (West Bromwich, East) (Lab): Will the threat of prison for visiting Israeli politicians make it easier or harder for the UK Government to secure peace in the middle east?

Mr. Straw: I think that my hon. Friend is referring to the issue of arrest warrants and universal jurisdiction. Action on that is currently being considered by Government.

Mr. Philip Dunne (Ludlow) (Con): In response to a question from the right hon. Member for Rotherham (Mr. MacShane), the Minister of State, the right hon. Member for North Swindon (Mr. Wills), said that overseas voters were subject to the same registration requirements as domestic voters. If he is not aware that overseas voters have to re-register annually—whereas here, of course, only households have to register—perhaps it is no surprise that he has taken such small steps to increase overseas participation. What is he going to do about it?

Mr. Wills: The hon. Gentleman is well aware that we are introducing individual registration in this country. That is welcomed by his Front-Bench team, and I hope that he will welcome it too. We are doing a great deal to try to increase registration rates among overseas voters, and we have changed the requirements in all sorts of ways. He well knows that we are looking at how we can make attestation an easier process for overseas voters. We are not negligent about these matters. We are trying to do our best but, as I pointed out to my right hon. Friend the Member for Rotherham (Mr. MacShane), it is sometimes difficult when people choose to live overseas. They do not register their presence with our missions overseas, and so they can sometimes be very difficult to trace. That is the fundamental problem, as the hon. Gentleman ought to know.

Rob Marris (Wolverhampton, South-West) (Lab): When are the Government going to take steps to lessen markedly the use of these wretched super-injunctions, which hide from the public legal process even the fact that they have been obtained, let alone their content?

Mr. Straw: That is principally a matter for the courts. The recent judgment by Mr. Justice Tugendhat was important. It made clear the limitations on the so-called super-injunctions, as have other members of the senior judiciary. If my hon. Friend has in mind the case involving *The Guardian*, I can tell him that part of the problem was that the interpretation of the court order did not necessarily accord with the order's actual wording.

Miss Anne McIntosh (Vale of York) (Con): The Justice Secretary is aware of my concern about sentencing guidelines that allow shop theft offenders to be let off with a private notice penalty. Those offenders should be referred to court so that their substance abuse might be addressed. What progress has been made on that?

Mr. Straw: I am so well aware, and so is my Department, that there is an official who works virtually full time on the concerns of the hon. Lady, whom I commend for her assiduity. We have changed the guidelines significantly so that fixed penalty notices for shop theft are made available only for a first offence when there is no evidence of drug or other substance misuse. There are other restrictions, too, and we look to the police strictly to enforce those guidelines.

Sir Nicholas Winterton (Macclesfield) (Con): What advice would the Secretary of State give to my constituent Joanne Foster, whose partner was killed by a man who has committed a string of violent offences during his career—and who has been sentenced to what will turn out to be two years' imprisonment? Is that adequate? Is that justice?

Mr. Straw: First, may I express my profound sympathies and condolences to the family in respect of their loss? The hon. Gentleman will excuse me, but I cannot possibly comment on the detail of an offence without knowing a great deal more about it. If he cares to let me know about it, however, I shall write to him explaining the view of the court, which is independent, so that he can pass it on to the family.

Mr. Speaker: I do not want to cause friction in the Winterton household. I have called Sir Nicholas; I now call Ann Winterton.

Ann Winterton (Congleton) (Con): Jolly good! As we seek to reduce reoffending, why are young offenders not positively encouraged to take part in Duke of Edinburgh award schemes—not least because those schemes in turn encourage self-confidence and self-discipline and are very much favoured by employers, thereby leading, hopefully, to a job?

The Minister of State, Ministry of Justice (Maria Eagle): It is a great scheme, and there is no doubt that many schemes are available. I expect that some youngsters in youth offending institutions and in custody are so encouraged, and I hope that more will be in due course.

Philip Davies (Shipley) (Con): Over the Christmas recess, the chief constable of West Yorkshire police, Sir Norman Bettison, highlighted his concerns that burglars were being let out of prison early because there were not enough prison places, thereby causing an unnecessarily high burglary rate in West Yorkshire. What is the Secretary of State doing to address that outrageous state of affairs, which the chief constable of West Yorkshire police has highlighted?

Mr. Straw: The end-of-custody licence scheme is unsatisfactory, as I and the Minister of State, my hon. Friend the Member for Liverpool, Garston (Maria Eagle) have already said, and we wish to bring it to an end as quickly as possible. That said, there has been a dramatic reduction in burglary rates over the past dozen years throughout the country and a dramatic improvement in the number of prison places. That contrasts very sharply with the policy of the hon. and learned Member for Beaconsfield (Mr. Grieve), the shadow Justice Secretary, who is committed to reducing the prison population to its 1993 level, which would mean not an increase in prison places, but a cut to 43,000.

Christopher Fraser (South-West Norfolk) (Con): Further to the question that my hon. Friend the Member for Kettering (Mr. Hollobone) put, the independent monitoring board report on HM prison Wayland in my constituency found that the UK Border Agency routinely detains foreign nationals beyond their release date. The report says:

"This practice...is...poor use of a training prison to warehouse foreign nationals indefinitely."

Why have the Government not done anything about it? What are they going to do to engage the UK Border Agency to deal with that serious issue?

Mr. Straw: We are doing a great deal to ensure that time-served foreign national prisoners are deported. When we can, we transfer them during their sentence, but in many cases we have to deport them at the end of their sentence, and my right hon. Friend the Home Secretary and I are working very closely together. The result is a very significant increase in the number of deportations—particularly, if I may say, given the shambles of a situation over which the previous Conservative Government presided until 1997.

Mr. Peter Bone (Wellingborough) (Con): Does the Secretary of State and Lord High Chancellor believe that there should be a change in the law with regard to the wearing of the burqa in public places?

Mr. Straw: No I do not, and I would strongly recommend against a change in the law.

Maria Eagle: I think the hon. Gentleman would look quite good in one.

Mr. Straw: My hon. Friend the Minister is offering the hon. Gentleman some advice that I shall not pass on; it is equivalent to saying that he looks good on the radio.

All of us may have views about the wearing of the burqa, but I do not believe that the matter should be the subject of the criminal law—that would be expecting the police to remove these items of apparel from women who chose, for religious or cultural reasons, to wear them. That should have no part in the system of law in the United Kingdom.

Mr. Speaker: It is encouraging to see the House in such a good mood this afternoon.

Out-of-Hours GP Services

3.35 pm

The Minister of State, Department of Health (Mr. Mike O'Brien): With permission, Mr. Speaker, I should like to make a statement about out-of-hours primary care following the conclusion of the coroner's inquest last week into the case of Mr. David Gray, who died on 16 February 2008. First, and I am sure that I will be joined by the whole House in this, I should like to extend my sincere condolences to the family of Mr. Gray. This was a tragic case, and I am deeply sorry for their loss. I understand that litigation has arisen out of this issue and I shall therefore direct my remarks primarily to the wider policy issues.

Concerns about out-of-hours primary care were raised with me last summer. I then met primary care professionals to understand the issues in greater detail and to consider what action we might take to improve out-of-hours services for patients. The Care Quality Commission's interim report on out-of-hours care in Cambridgeshire, published on 1 October 2009, also expressed concerns over the quality of care provided. By that time, on 23 September, following discussions with them, I had formally asked Dr. David Colin-Thomé, the national director for primary care at the Department of Health, and Professor Steve Field, chairman of the council of the Royal College of General Practitioners, to lead jointly a review of the current arrangements for the local commissioning and provision of out-of-hours services.

The report, which I published last Thursday, considered the commissioning and performance management of out-of-hours services, the selection, induction, training and use of out-of-hours clinicians, and the management and operation of the medical performers lists on which doctors must register in order to practise in England. The report acknowledges the fact that there is an unacceptable variation in the quality of out-of-hours services across the country, and it sets out 24 recommendations, including that primary care trusts should review the performance management arrangements that they have in place for their out-of-hours services, to ensure that they are robust and fit for purpose; that the Department of Health should issue guidance to PCTs to help them decide whether a doctor has the necessary level of English to be added to their medical performers list; that the Department of Health should develop and introduce an improvement programme for PCTs to support the commissioning and performance management of out-of-hours services; that out-of-hours providers should consider their recruitment and selection processes for clinical staff to ensure that they are robust and follow best practice; and that strategic health authorities should monitor the actions taken by PCTs in response to the report and in carrying out appropriate performance management of out-of-hours providers.

The report's recommendations are an important reminder, to PCTs and providers, of their pre-existing obligations to provide patients with safe and effective out-of-hours services. We have accepted the recommendations in full, and we intend to go further still. I have announced additional improvements to out-of-hours GP services. We will review the existing national quality requirements, and introduce and mandate national minimum standards that all out-of-hours providers will be required to meet. We will introduce a model contract based on these national minimum standards for out-of-hours provision that PCTs and the providers of out-of-hours services must use. The Department will work with national medical organisations to develop a national database and consider what data should be placed on it. We will tighten existing controls to ensure that PCTs meet their legal obligations and that providers employ competent clinicians to practise as out-of-hours GPs. SHAs must ensure that PCTs are meeting their obligations and we will, in turn, hold SHAs to account for this.

There is already a clear legal requirement under the National Health Service (Performers Lists) Regulations 2004 for PCTs to refuse a doctor's inclusion on their performers list if they are not satisfied with their level of English. We will direct PCTs to review their procedures and to make certain that they have a clear policy in place for assessing the English language skills of everyone applying to be added to their local performers list. Finally, we will require PCTs to involve local GPs in the design of out-of-hours services through local medical committees, RCGP groups and faculties, clinical executive groups and practice-based commissioning consortiums.

Officials in the Department of Health will continue to work with the NHS to implement these measures. The NHS chief executive, Sir David Nicholson, wrote to all NHS organisations last Thursday to bring Dr. Colin-Thomé's and Professor Field's report to their attention. Sir David sought assurances that they are meeting their obligations as highlighted in the report. Along with Sir David Nicholson's letter, the Department of Health has issued new interim guidance to PCTs to assist them in complying with their obligations to ensure that all doctors admitted to their performers list have the necessary English language skills.

It is clear that in some areas out-of-hours services are not as good as they could or should be. However, as Professor Field's and Dr. Colin-Thomé's report acknowledges, even when GPs were responsible for the care of their patients 24 hours a day, only 5 per cent. of them actually provided out-of-hours care for their own patients. Those GPs that did so were often left dangerously tired and exhausted. The system was unsafe. In fact, by early 2000, the level of complaints from the public was so great that the Government asked Dr. David Carson to conduct a comprehensive review of out-of-hours services in England. His recommendations formed the basis of our 2004 reforms, which have led to significant and independently verified improvements in out-of-hours care.

Most of our out-of-hours care is today provided by local GPs working on rotas for co-operatives or companies and, the case of Dr. Ubani notwithstanding, most of the service is good. A 2006 review of out-of-hours care by the National Audit Office said:

> "England is at the forefront of thinking internationally"

on out-of-hours care. In 2008, a Healthcare Commission report on urgent and emergency care added:

> "There have been significant improvements over recent years in the...number of out-of-hours GP services meeting national quality requirements."

Although it is clear that the quality of out-of-hours care for most people is better than it was in 2004, it is still not good enough. I hope that the recommendations set out in the report by Dr. Colin-Thomé and Professor

Field, along with the additional measures I have set out, will let Mr. Gray's family know that lessons will be learned, and I hope that we will give patients the level of out-of-hours primary care that they expect and deserve.

Mark Simmonds (Boston and Skegness) (Con): May I join the Minister in extending my sincere condolences to Mr. Gray's family?

I thank the Minister for the courtesy of giving me sight of his statement prior to his making it at the Dispatch Box. I suspect, however, that it is with great reluctance that he has come before the House today and that he has done so only because of significant pressure.

It needs to be said that good out-of-hours care is being provided in some parts of the country, but it is clear from the coroner's report into the terrible tragedy of David Gray in February last year, and from the additional report by Dr. Colin-Thomé and Professor Field released last Thursday, that there are significant failings in the provision of out-of-hours care in some parts of England, providing unsatisfactory levels of patient care and, ultimately, putting patients' lives at risk. There have been several tragic deaths, and we must all do everything we can to ensure that that never happens again.

The Government's decision to allow almost all GPs to opt out of involvement in out-of-hours care in 2004 was a significant and serious mistake. The current structure of out-of-hours care is at best patchy and has been described by the Public Accounts Committee as "shambolic". The Government were consistently warned that there were ongoing failures in the system, with reports not only by the PAC but by the National Audit Office and by the Select Committee on Health, twice, highlighting serious concerns and failings, yet no effective action was taken. All those reports, and the two released last Thursday, are critical of the patchy provision of out-of-hours care.

The list of defects and non-performance is extensive: increasing numbers of complaints about out-of hours care; primary care trusts failing to monitor the quality of care and not reviewing or assessing contracts; inadequate performance measurements; strategic health authorities not monitoring PCT performance, and in some cases not engaging in the process at all; out-of-hours care used too often as a holding bay; insufficient skills for commissioning out-of-hours services; some PCTs ignoring and shunning GPs' involvement and advice; a lack of clarity on responsibility between commissioners and providers; significant additional pressure and attendance at accident and emergency and pressure on ambulance services; little or no integration of out-of-hours care with urgent care; non-implementation of selection, induction and training of foreign doctors; very poor response times; and a lack of a coherent and consistent approach to the inclusion of doctors on the performers list.

It is clear that there were failures at SHA, PCT and provider level. There were failures to assess foreign doctors' language, communication and formulary skills, to involve GPs in the commissioning of services, to monitor, review and assess out-of-hours care, and to assess and learn from patient experience. In some parts of the country, that litany of failures has been detrimental not only to patient care but to patient safety, culminating in the shocking death of David Gray.

The Minister has said that he will implement all the recommendations of the Colin-Thomé and Field review. Will he do the same for the coroner's recommendations? What will be the time scale for the implementation of the recommendations of the review? In other words, what is the longstop date for its total implementation? What action will the Minister take to ensure that SHAs review PCTs' progress in that area? SHAs need to do more than just consider what action should be taken. How will he ensure that PCTs properly and regularly review out-of-hours contracts, involving local GPs and, I note with interest, including local GP consortiums? Rigorous monitoring should be taking place everywhere, looking at the quality of clinical decisions, the efficiency of call handling, the adequacy of staffing, doctors' training and patient outcomes.

The Minister will be aware that the General Medical Council is very concerned about the ability of foreign doctors from within the European economic area to practise in the UK. It believes that

"the current legal framework is unsatisfactory"

and that

"the current system does not adequately safeguard patient safety."

The Minister must ensure that he completes the immediate implementation of the Department of Health report "Tackling Concerns Locally", which has been collecting dust in the Department since March 2009. Will he address the concerns of the GMC and lobby for a change to EU law, to ensure proper skills and language testing for doctors who wish to practise in the UK? Will he consider including in the process of revalidation locums and doctors from the EEA who are working in the UK, and will he ensure that access to the performers list is tightened and that there is a much greater flow of information between PCTs and the GMC? As far as I understand from what the Minister said, there is still no mechanism in place to ensure that a doctor struck off in another EU country cannot practise in the UK.

To put it mildly, this is not the Government's finest hour. It has taken the tragic death of Mr. Gray for action to be taken, despite persistent and consistent previous warnings. This is a serious situation that will be resolved only when the Minister accepts that in some geographical areas the system of out-of-hours care has failed; when, as the Royal College of General Practitioners recommends, a comprehensive review of out-of-hours care takes place; and when the Government accept, for the sake of patient care and safety, that responsibility for commissioning out-of-hours services must be with GPs.

Mr. O'Brien: I certainly agree with the hon. Gentleman that we must ensure that we do all we possibly can so that this sort of incident never happens again. That is why we responded to a series of reports and ensured that after the Carson review on out-of-hours services, we changed things—it was clear that the system that existed before 2004 was unsafe; therefore, changes were put in place.

We do not want a situation in which we return responsibility to GPs for the management of out-of-hours care, as appears to have been suggested. Dr. Laurence Buckman of the British Medical Association has been very clear on that. He said:

"The old system meant many doctors were tired and therefore potentially dangerous to patients and it is for that reason that the BMA, and the GPs it represents, would resist a return to doctors taking back personal responsibility for delivering care out-of-hours."

[Mr. Mike O'Brien]

On another occasion, he said:

"The current out-of-hours system desperately needs improving, but we can't go back to where we were before 2004 where doctors were on call 24 hours a day, meaning many were operating in a constantly sleep-deprived state."

We need to ensure that we deal with some of the issues that exist in the current system. I think we all, as parliamentarians, need to confront the issue of decentralisation of power. We have been pushing down responsibilities to PCTs. That is all very good, and there is a broad consensus in the House that that should happen—the closer to the patient, the better—except some PCTs are more capable than others of doing a good job. That presents us with the question how best to manage that. We have taken the view that we need to bring about two changes. First, we need much more central involvement by the Department of Health in ensuring that PCTs have minimum standards, through a model contract. All PCTs must ensure that providers comply with that contract. Secondly, we need to get local GPs more involved—that does not mean giving responsibility back—so that they can monitor the quality of the out-of-hours service that is being delivered.

The hon. Gentleman set out the concerns expressed in the report by Dr. Colin-Thomé and Professor Field. I remind him that that report was commissioned not after the coroner's report last week, but on 23 September last year. Indeed, discussions on it took place with those involved before that time, because we knew that we needed to ensure that we improved out-of-hours care. I want to have further discussions with the doctors' organisations on some of the coroner's recommendations, but in a broad sense, we accept them. We must go through some of the detail with the doctors' organisations on how that will be done.

When can we put those changes in place? I have said very clearly to officials that I want it done by the end of the year. I want to be sure that we have got the system right by then at least. I was asked how that would be monitored. For the next six months PCTs will be required to have on the agenda of every board meeting, at least once a month, the quality of out-of-hours care and its improvement. That will be monitored by the SHA. Thereafter, PCTs need to take a higher level of responsibility for it.

There are three checks on foreign doctors from the EEA. First, the GMC checks their medical qualifications. Secondly, since 2004 the PCT is responsible for checking that they speak English and that nothing is known about them that undermines their medical capability. Thirdly, the employers are responsible for ensuring that the GPs whom they employ not only speak English, but are clinically competent. In some cases it is clear that some PCTs have been a weak link. Some have not always complied with their responsibilities.

The GMC, as was pointed out, has indicated that it would like to do some tests on GPs who do out-of-hours work. It was clear from the Medical Act 1983 that the GMC could not carry out such tests, and it cannot do so under the directive which has been renewed but predates that. In 2004, therefore, the responsibility for ensuring that English was spoken was given to the PCTs. Most of them have delivered on that. Some have not, and that is what we need to change.

The EU law will be reviewed in 2012, so the directive will be reviewed in any event. We must ensure that we examine the detail of that. However, we cannot wait until then. We must put in place safety checks to ensure that this year the lessons of that tragic death are learned and that Mr. Gray did not die in vain.

Norman Lamb (North Norfolk) (LD): I, too, thank the Minister for early sight of the statement, and I join in the expressions of sympathy and condolences to the Gray family. The two sons of David Gray, Rory and Stuart, want something positive to come out of their personal tragedy and I hope very much that that is the case. The system ultimately failed their father in allowing Dr. Ubani to practise in this country. Also, it failed the family by failing to ensure that he appeared before a court in the United Kingdom following a police investigation into what happened.

I welcome the report and the recommendations, but why the delay? A report on the performers list was published on the Department's website last March. That is 11 months ago. Why has it taken this long for the Government to respond to those recommendations?

Will anyone be held to account for the failure of Cornwall PCT? The Minister says that there are legal duties, but they are of no value if nothing happens when they are breached. The House was informed in February 2007 of doctors working in Cornwall with inadequate language skills. That was before Dr. Ubani was registered by Cornwall. What action was taken and who will be held to account for that? Will the Minister consider introducing a criminal offence of PCTs failing to protect patient safety, in order to give some teeth to the regulations?

The greatest safeguard of all would be to prevent a foreign doctor who has inadequate language skills or competence from registering with the GMC. The EU directive allows a regulator to satisfy itself on language, but the Medical Act, as the Minister said, needs amending. Will he consider amending it so that, under existing directives, the GMC could test language skills? Will he agree to lobby for EU reform to protect patients, as the GMC accepts is necessary—first, to allow a test of competence; secondly, to require immediate notification of suspension across Europe; and thirdly, for suspension anywhere to apply everywhere that that doctor is allowed to practise under the freedom of movement of labour?

Does the Minister share the GMC's view that patients should have a right to safe and good-quality health care across the EU and to safe doctors? If so, these reforms are necessary. Does he agree that training in UK prescribing practice and medicines use—along with an induction and assessment—is essential before a doctor from overseas starts to practise in out-of-hours care? Will those requirements be part of the minimum standards? Does he agree that providing for a minimum number of local GPs on duty, particularly in widely dispersed rural counties, must be part of those minimum standards?

A European arrest warrant was issued in the Dr. Ubani case, but it failed to be effective because of action taken by Germany's authorities to prosecute him on a minor charge in that country. Co-operation failed in that case, so is the Minister prepared to make representations to the Home Secretary to press for proper co-operation, because the European arrest warrant is of no value if it does not deliver justice in cases such as this?

Mr. O'Brien: Certainly I want to ensure that we learn all the lessons from this, but may I deal with the legal issue last? On the performers list, a report was published last March and officials have been consulting on how all that will be put in place. Where regulations need to be put in place, that will be done shortly, but the hon. Gentleman will appreciate that consultation with the relevant organisations needed to occur and that we wish to move forward with this as quickly as we reasonably can.

The hon. Gentleman mentioned holding to account those who have failed in the system, particularly Cornwall primary care trust. The main thing is that we get the system right; that we ensure that those who have failed will no longer be in a situation where failures can take place again; that we are able to examine how the system operates; and that the checks that will protect patients are the ones that occur.

I am not convinced about imposing a criminal offence on a PCT. I am not sure who in the PCT the hon. Gentleman wants this to be imposed on—is it the PCT's chairman or its chief executives? I am also unsure as to what the penalty would be. We are talking about a criminal conviction, so does he want these people to be sent to prison? Does he want to fine them? Why would he convict them? These people have been employed to do a job, and appropriate disciplinary procedures are in place to deal with them if they do not carry out their job adequately. Boards can be dismissed, and chairmen and chief executives can be removed, so I am still to be convinced about his suggestion that a criminal penalty for these people is the best way of changing behaviour. I am also a bit cautious because we do not want to get into a situation with criminal law, which tends to be absolute in its implications, where people are reluctant to come forward and say that there is a problem in their system that needs addressing because they fear that they might get prosecuted if they were to do so. I am concerned about such implications.

As for the GMC carrying out checks, we were aware in 2004 that there was a problem as a result of the Medical Act 1983. That is why we put in place the requirement on PCTs to ensure that English was spoken—that is something that PCTs must do. There may be ways in which PCTs can work with the GMC to ensure that it can be satisfied that people are not only able to speak English, but competent. However, that needs further discussion between the GMC and the PCTs. In other words, the GMC could act as an agent of the PCTs, but I wish to examine that. My main concern is to ensure that the checks are done—I am less concerned about who does them. I just want them done, because patients deserve safety.

As for ensuring that we have good and competent quality of care across Europe, we can discuss with other countries the need for them to improve the quality of what they do. We obviously have a limited amount of control over that, but what we can do is ensure that we have systems in place that enable people to become aware of information about doctors being disciplined or struck off elsewhere.

As far as minimum training and induction are concerned, I agree that, as part of minimum standards, we need to ensure that they are included in a national contract. There is a legal requirement now, through the national quality regulations, that those standards be applied, but in this particular case, they were not always applied. That is why I want the model contract, so that there is no doubt on that point.

Finally, the hon. Gentleman asked me about extradition and the European arrest warrant. It is indeed the case that an arrest warrant was issued. Unfortunately, it appears that the arrest warrant was issued on 12 March 2009 but the German authorities refused it on 24 March 2009 on the basis that they were already prosecuting the case. I cannot quite work out why they were doing that. It has been suggested that Dr. Ubani asked the German authorities to prosecute him first, so he could avoid extradition on grounds of double jeopardy. The CPS was concerned about that, because it wanted to prosecute him, and contacted Eurojust to query that on 26 March. On 21 April, Dr. Ubani was convicted, received a four-month suspended sentence and made a payment, although it is disputed whether it was a cost or a fine. I hope that that deals with some of the hon. Gentleman's concerns, but we are concerned to engage further with the German authorities on this issue.

Several hon. Members *rose—*

Mr. Speaker: Order. The exchanges between the Front Benches have been wide-ranging and doubtless illuminating, but they have absorbed 32 minutes, which is almost unprecedented. The House will be conscious that after this there is a 10-minute Bill and much important business, including the final day in Committee for the Constitutional Reform and Governance Bill. Sixteen right hon. and hon. Members are seeking to catch my eye. I want to accommodate everyone, but if we are to make progress timeously, we need short questions and short answers.

Jacqui Smith (Redditch) (Lab): I welcome my right hon. and learned Friend's emphasis on national minimum standards to ensure high-quality out-of-hours care for all patients, and the fact that local GPs will be involved in the design of the system. No GP has argued to me that they want to take back full responsibility, but they should be involved in the design. Does my right hon. and learned Friend think that, if new contracts are being let or contracts are being renewed, local GPs should also have a say in who receives those contracts?

Mr. O'Brien: I certainly hope that we will be able to engage our local GPs, through the various mechanisms that I mentioned, in looking not only at the rules and the best way in which services can be delivered locally, but at who gets those contracts.

Sir Patrick Cormack (South Staffordshire) (Con): Will the Minister reflect on the very wise words of the first family doctor I had when I was elected, who said that no true general practitioner can know his patient if he does not know him at home as well as in the surgery?

Mr. O'Brien: That is a good point to reflect on, but whether it is always possible to deliver in practice is another matter. GPs who are exhausted from working all day and then all night could end up being unsafe GPs.

Charlotte Atkins (Staffordshire, Moorlands) (Lab): Can my right hon. and learned Friend tell me how he expects PCTs to ensure that they are co-ordinating the

[Charlotte Atkins]

out-of-hours service with other parts of the primary care system, including minor injury units and the ambulance service? The latter is especially vital in rural areas, where needy patients can be many miles from the out-of-hours provider.

Mr. O'Brien: My hon. Friend is entirely right. We need to ensure effective co-ordination between the ambulance service and out-of-hours provision to ensure that patients are well served.

Angela Browning (Tiverton and Honiton) (Con): In the guidelines and minimum standards recommendations, what is the ratio of doctor to population, and does it take account of geographical areas with a sparse population? Should that not be looked at, because there are parts of the country where people wait a long time? If the Minister is looking to improve standards, surely ensuring adequate coverage in the first place is one of the first things to consider.

Mr. O'Brien: Adequate coverage is indeed essential. As far as I am aware, there is not a ratio as such. However, we need to ensure that people do not have to wait a long time and that someone is available to come out within a reasonable time to ensure that the patient gets the necessary care. I have seen some of the statistics, as I am sure the hon. Lady has, on the numbers of patients and out-of-hours doctors. They vary considerably, and I want to engage with doctors' organisations to ensure that we do not need such a minimum standard.

Mr. David Drew (Stroud) (Lab/Co-op): Does my right hon. and learned Friend accept that the last thing that we need is another group of professionals being forced out of the NHS, as would happen if the Conservative party's proposals were taken seriously? Will he look at how we handle people with mental health problems and how they engage with the out-of-hours service, because there seems to be some variation across the country? In particular, what responsibilities do the different trusts that engage with such people have in the out-of-hours period?

Mr. O'Brien: My hon. Friend is right that there is a difference between the Conservative party and us. As I understand it, the former wants to transfer responsibility to GPs. We take the view, however, that we should not force that responsibility on to GPs, but that they should be more involved in how those services are commissioned.

It certainly is the case that, in some areas, out-of-hours mental health provision needs to be looked at with great care, because its quality is crucial, particularly when those with mental health problems have an episode that needs urgent attention.

Dr. Richard Taylor (Wyre Forest) (Ind): As I understand it, the basic fault with Dr. Ubani was that he did not even know the dose of diamorphine, which is why I am so pleased with the emphasis on the greater involvement of local GPs in the commissioning, design and, in some cases, provision of the service. Will the Minister therefore support me in supporting the bid for out-of-hours services in Worcestershire that has the approval of local GPs?

Mr. O'Brien: The discussion on the out-of-hours service needs to be with the local primary care trust, but the hon. Gentleman needs to ensure that local GPs and doctors are involved in some of those discussions.

Mr. Peter Bone (Wellingborough) (Con): Will the Minister let the GMC test the competency and language abilities of EU doctors before they are registered? Will he put the lives of British patients before EU law?

Mr. O'Brien: It is not about EU law; it is about testing and ensuring that the tests are done by the people who are legally responsible for ensuring that GPs speak English before they provide out-of-hours care. That responsibility is currently with the PCTs. My concern is that those requirements be met—they are legal requirements, they ought to be being met now, and PCTs have been told that they must meet them.

Dan Rogerson (North Cornwall) (LD): Does not the Minister agree that, in the issuing of some contracts during the previous round, PCTs seemed to decide that they wanted to drive down costs above all other considerations for out-of-hours contracts? Some of those deals looked too good to be true, and have turned out to be too good to be true.

Mr. O'Brien: Funding for out-of-hours contracts has risen significantly in recent years. The spend by PCTs has risen from £209 million in 2004 to £378 million in 2008-09, so considerable funding has been put into it. However, the hon. Gentleman is right that PCTs have a responsibility above all to safeguard the patient. That is their primary responsibility. A secondary one is to ensure that they do it with value for money.

Chloe Smith (Norwich, North) (Con): I regret to report to the House that my constituent Mrs. Marjorie Alderson had a difficult experience with out-of-hours care. I am particularly sad to say that she has since passed away, but her daughters have been active in highlighting the difficulties faced in Norfolk. I would particularly appreciate the Minister's reassurance that he will look seriously at what it takes to attract doctors to work in the out-of-hours service. I have heard various comments from medical professionals to suggest that that is a particular difficulty.

Mr. O'Brien: May I extend my condolences to the family of Marjorie Alderson? As for attracting doctors, the hon. Lady is right: some parts of the country seem to be experiencing difficulties, whereas others are not. That is one of the points to come out of the report by Dr. Colin-Thomé and Professor Field, as well as my discussions with those in some out-of-hours services. I am not entirely clear, in that the issue does not seem to be funding or how much the GPs are paid. Rather, there seems to be a reluctance among GPs in some areas to get involved in out-of-hours services, whereas in other areas they are anxious to get involved. It is important to get to the bottom of that and identify exactly why the problem that the hon. Lady has identified is occurring.

Mr. Bernard Jenkin (North Essex) (Con): Has the Minister done any analysis of the disparities in costs between different out-of-hours contracts? Is he aware of the disparities between the costs that the Ministry of

Defence pays? In one case it pays £20,000 a year for 17,000 soldiers, but in another it pays £278,000 for 20,000 soldiers, which is considerably more. Why should the Ministry of Defence pay for out-of-hours care for its soldiers when soldiers pay tax and should get that service on the national health service anyway?

Mr. O'Brien: The Ministry of Defence wants to ensure that particular facilities are available to it. Therefore, some want to fund those facilities themselves. That is, in a sense, a matter for the MOD. As for variations in cost between PCTs, that is an issue that we need to look into with care. I am satisfied that the broad run of PCTs is trying to get both value for money and a good quality of service, and that those PCTs are indeed delivering that. However, one or two PCTs are looking more at cost than at patient safety.

Mr. David Heath (Somerton and Frome) (LD): To bring the Minister back to rural areas, is not another factor the availability and accessibility of accident and emergency units? My constituency covers 900 square miles. There is not a single A and E unit in my constituency, nor is a single out-of-hours doctor based there. Do we not need better cover than the four cars that currently provide for the whole of Somerset? Should there not be an assumption that community hospitals will have at least an evening treatment centre, with a doctor available to look after people out of hours?

Mr. O'Brien: The hon. Gentleman has raised a number of issues. As for provision in his local area, the issue that we have faced over a number of decades is that power is being devolved. That means that we are very reliant on local PCTs to make local decisions. We can have minimum standards, but we cannot rewrite the entire framework in which PCTs operate—in other words, take away their flexibility to respond to local need. Getting the balance right is quite tricky, but it is important that we work on getting it precisely right.

Miss Anne McIntosh (Vale of York) (Con): I should declare an interest: my brother works for the out-of-hours service in North Yorkshire, although we have not discussed the issue. Is not the heart of the matter the fact that only in the UK has the system of family doctors and GP services developed to the extent that it has developed here? No one else is in quite the same position—or, possibly, no one else is better qualified—to judge that the PCT is not qualified to judge whether a GP here, or a medically qualified doctor in Germany or another EEA country, is fit to operate our out-of-hours service. I am not sure that what the Minister has told the House today fundamentally addresses that point.

Mr. O'Brien: We need to ensure that doctors are properly qualified. It is a requirement that PCTs should not allow anything that might mean that the GPs they employ are not capable of being GPs. Therefore, we need to ensure that we have proper induction and proper training. We must ensure that GPs are capable of doing the work that they are employed to do. It is not so much a matter of the EU; rather, it is a matter of ensuring that if someone comes into an area, the PCT and the providers have done the checks and ensured that that GP knows what they are doing and are safe.

Dr. John Pugh (Southport) (LD): Why is the Minister so opposed to specifying a minimum ratio of medical personnel to population? Surely there is a level that is clinically unsafe, and we ought to specify it.

Mr. O'Brien: This is dependent on a number of factors, including the size of the area, the amount of time it takes to get to people, and the level of demand in the area. That is why the PCTs have to ensure that proper medical issues are looked at, and that the level of cover and provision is adequate to ensure that people get the quality of service that they need. Checks should be being done now, but I still want to consider whether we need a national minimum standard. The requirements for the ratios to be right from a medical point of view are already there.

Bob Spink (Castle Point) (Ind): Is the Minister satisfied that the greater use of our generally excellent ambulance service in some areas is not part of the problem?

Mr. O'Brien: I do not think that it is. There is a lot of increase in demand on the ambulance service, and we are working through some of the issues relating to that increase. Much of it, however, is occurring during the daytime, rather than at night. I would need to get more research done before I could answer in depth the hon. Gentleman's question on whether that relates directly to the issues around the out-of-hours service.

Mr. Andrew Pelling (Croydon, Central) (Ind): The campaigning social issues journalist Aline Nassif revealed in the *Croydon Advertiser* last Friday that our population of 370,000 is covered by only three GPs between midnight and 8 am. Does the Minister really feel that that is clinically safe?

Mr. O'Brien: Decisions on clinical safety should be made by people who are clinically qualified, rather than by me as a Minister. It is a requirement for the PCT to ensure that there is appropriate clinical supervision of the provision, that there is an appropriate number of GPs for the population, and that the cover is safe. That is a legal requirement, and the PCTs should be doing that.

Point of Order

4.22 pm

Mr. Mark Harper (Forest of Dean) (Con): On a point of order, Mr. Speaker. I know how much importance you place on timely answers being provided to questions posed by Members of the House. Could you give me some advice on how I might ensure that the Department for Work and Pensions does a little better at answering its questions? I have tabled 30 questions that have now passed their due date without being answered. To be fair, most of them are due to be answered in February, but the worst instance dates back to 30 November last year. The most embarrassing example is from 14 December, when I asked the Secretary of State how many and what percentage of questions tabled for written answer on a named day had had a substantive answer. Every other Department has managed to answer that question in a timely manner, but I suspect, given that I have not had an answer from the DWP, that its response will be "Not very many". What can I do to get more timely answers?

Mr. Speaker: I am grateful to the hon. Gentleman for his point of order. I understand why he feels disquiet about this matter. I wondered for a moment whether we were going to get a Cook's tour of his questions to which Ministers had so far failed to respond. He is right to say that I attach a premium to prompt and informative answers from Ministers to questions from hon. Members, whether those questions are written or oral. He is a keen student of these matters and a regular and substantial tabler of questions, and he will also be aware of the developing system of transparency, whereby it can readily be seen at a glance whether a question has been answered or not.

I would like to say, perhaps a little speculatively, to the hon. Gentleman that I have found, over the years, that when a Member complains about an unanswered question or letter, either through a further question on the Order Paper or by raising a point of order on the Floor of the House, that often serves speedily to concentrate the minds of Ministers. There are a number of Ministers on the Treasury Bench at the moment, and I feel sure that they are listening attentively to the point that the hon. Gentleman has just made. I hope that that is helpful.

Mr. Harper: I am grateful.

Mr. Speaker: Good. If there are no further points of order, we shall move to the presentation of Bills.

BILL PRESENTED

Climate Change (Sectoral Targets) Bill

Presentation and First Reading (Standing Order No. 57)

Mr. Martin Caton, supported by Colin Challen, Mr. David Heath, Mr. Michael Meacher, Dan Rogerson, Alan Simpson, Dr. Desmond Turner and Joan Walley presented a Bill to set targets relating to energy generation and consumption; to make provision for the sectoral targets to be met; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 12 March, and to be printed (Bill 64).

Environmental Protection (Fly-Tipping Reporting)

Motion for leave to bring in a Bill (Standing Order No. 23)

4.24 pm

Joan Ryan (Enfield, North) (Lab): I beg to move,

That leave be given to bring in a Bill to require local authorities to supply regular data to the Environment Agency on their response time to incidents of fly-tipping; and for connected purposes.

Fly-tipping blights communities; it causes pollution and destroys wildlife; it attracts vermin and can encourage arson; and it is also just plain unsightly. We all want to feel proud of where we live, but too often problems such as fly-tipping and litter and graffiti and vandalism make people's lives a misery.

The Government have taken tough action to tackle fly-tipping. Much has been done to increase the powers available to local authorities in taking action against fly-tippers. We have substantially increased the penalties available to courts to punish those convicted of fly-tipping, but for too many people in too many places, fly-tipping still scars our communities and the extent of the problem is shocking, if not—sadly— entirely unsurprising.

Last year, there were more than a million incidents of fly-tipping—1.16 million to be exact, and the clean-up costs come in at somewhere between £100 million and £150 million. Even those figures, however, are likely significantly to underestimate the true extent of the problem. For one thing, they include only the reported cases of fly-tipping, while many incidents go unreported. For another, only fly-tipping on public land is counted so the figures do not include incidents of fly-tipping on private land, which is the responsibility of the owner of the site. The conclusion, though, is clear: fly-tipping is a widespread and serious problem—one that degrades our environment, costs our economy and damages our community.

Enfield suffers from particularly high levels of fly-tipping. The average local authority deals with about 250 incidents of fly-tipping a month. In Enfield, in November 2009 alone, there were nearly 1,400 reported cases of fly-tipping; and over the course of a year, we face not far off 10,000 reported incidents of fly-tipping. That gives us a sense of the scale of the problem we face with fly-tipping in Enfield. Open spaces, alleyways and even beauty spots are often disfigured by rotting black sacks, discarded tyres and a mixture of almost every conceivable household item. The need for further action, then, is obvious.

Since 2004, local authorities have been required to supply information detailing the number of incidents of fly-tipping, the number of enforcement actions, such as prosecutions or fines, and clean-up costs to the Environment Agency—but not how quickly the rubbish is actually removed. The residents I meet in Enfield are not really interested in the type of mattresses that have been dumped down their street or the number of black sacks that block their drive. They just want them removed—and they want them removed quickly.

Yet one of the most common complaints I receive is the time it takes to deal with fly-tipping. Residents tell me that they can be waiting weeks for rubbish to be cleared—and I doubt that the problem is confined to

Enfield—so we need to make local authorities more responsive to local residents. We need to encourage them to tackle the scourge of fly-tipping with the urgency it deserves.

I believe that making local authorities publish their response times, as my Bill seeks to do, would reduce the time it takes them to remove fly-tipping. Every local authority would be able to see how well they performed and how much better they could do. No local authority would want the dubious title of "the slowest council in Britain to deal with fly-tipping", and no voter would tolerate a council that dragged its heels in removing rubbish. Just as we ask schools to publish their exam results and hospitals to disclose their waiting lists, and just as we require train-operating companies to report the number of delays and cancellations, so, too, we should ask local authorities to publish their response time to incidents of fly-tipping.

Since 2004, local authorities have been required to report the number of incidents of fly-tipping and their enforcement actions—and rightly so, in my view, as since this requirement was introduced, councils have taken tougher action to combat fly-tipping. As a result, the amount of fly-tipping across the country has gone down and the number of enforcement actions, fines and prosecutions has gone up. In the last year alone, there has been a 9 per cent. decrease in fly-tipping throughout the country. Sadly that is not the case in Enfield, where since the closure of the Carterhatch recycling centre in 2006—against which I campaigned, along with thousands of local residents—fly-tipping has increased threefold, just as we said it would.

If making local authorities publish information about fly-tipping has encouraged them to take tougher action, we might assume that making them publish the time that it takes to respond to reports of fly-tipping would make them quicker at cleaning up the results. Publishing response times is not just about getting councils to remove rubbish more quickly, important though that is; it is also about reducing the amount of fly-tipping in the first place. Removing rubbish quickly would also act as a deterrent to fly-tippers.

It is easy to see what happens. One black bag that is not removed quickly attracts another. I observe that for myself when I am out and about in my constituency, and I am sure that the same applies to other Members. The three black bags dumped at the end of a row of houses become four the next day, and five the day after that. Not removing fly-tipped rubbish sends others the message that fly-tipping is tolerated, that rubbish can be dumped, and that no one cares about the area. It also has a snowball effect: small acts of fly-tipping encourage more fly-tipping and larger amounts of rubbish, which attract vermin and become a public health hazard. The more rubbish is dumped and the longer it is left, the more likely are acts of vandalism and graffiti, which in turn attract even more damage and other more serious crimes, making the whole problem more difficult and more expensive to solve. As with so many problems, it is cheaper and easier to nip it in the bud than to allow it to grow.

It is an extremely simple change that I seek: one that has little or no cost implications, and does not place any extra burden on local authorities. Authorities are already required to provide the Environment Agency with extensive information about fly-tipping in their areas. They must tell the agency how much fly-tipping takes place, how they deal with it, and how much it costs to clear it up. My Bill would simply ask them to submit information on their response times to the agency, alongside the data that they are already obliged to give it.

It is inconceivable that local authorities do not already maintain records of some kind or other of their response times. This is, after all, what residents are most concerned about. Surely local authorities must already log the time when a report of fly-tipping is received, and when some sort of action is taken. If they did not, how would they know whether they had dealt with a particular case? If they already have that information on file, why can it not be given to the Environment Agency at the time when all the other fly-tipping data are supplied?

That is the simple change that my Bill seeks to achieve—a simple change which I believe could prove hugely positive for the residents whom I represent and the community that I serve. The residents whom I meet out and about in Enfield tell me that all they want is to live somewhere decent and to be able to feel proud of where they live. Is that really too much to ask? I do not think so, and for that reason I commend the Bill to the House.

Question put and agreed to.

Ordered,

That Joan Ryan, Siobhain McDonagh, Mr. Andrew Dismore, Fiona Mactaggart, David Cairns and Ms Karen Buck present the Bill.

Joan Ryan accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 30 April, and to be printed (Bill 65).

CRIME AND SECURITY BILL (PROGRAMME) (NO. 2)

Motion made, and Question put forthwith (Standing Order No. 83A(7)),

That the Order of 18 January 2010 (Crime and Security Bill (Programme)) be varied as follows:

(1) Paragraph 2 shall be omitted.

(2) Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 25 February 2010.—*(Kerry McCarthy.)*

Question agreed to.

Constitutional Reform and Governance Bill (Money) (No. 3)

Queen's recommendation signified.

Motion made, and Question proposed,

That, for the purposes of any Act resulting from the Constitutional Reform and Governance Bill, it is expedient to authorise the payment out of the Consolidated Fund of sums required by the Electoral Commission to meet—

(a) the charges payable to counting officers in connection with a referendum held on the voting system for parliamentary elections; and

(b) sums payable in respect of increases in superannuation contributions required to be paid by local authorities in consequence of fees paid as part of those charges.—*(Kerry McCarthy.)*

4.35 pm

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): I rise to oppose this money resolution on several grounds. First, it meets no perceived need. It has no justification, and it would also involve a wanton waste of public money. It is an election gimmick thought up by a discredited Prime Minister hoping to extend his days in office by some shady deal with the Liberal Democrats—and he should remember that although he can hire a Liberal Democrat, he cannot rely upon him.

In addressing the money resolution, the House should consider the following facts. The Prime Minister has now been in office, either as Prime Minister or Chancellor, for 12 years, and at no time has he shown the slightest interest in electoral reform. Indeed, the Ashdown diaries, which my right hon. Friend the Member for Witney (Mr. Cameron) mentioned a few weeks ago, make it absolutely plain that the Prime Minister opposed the deal on electoral reform when Tony Blair and Lord Ashdown discussed that, so what we are dealing with here is an act of pure political cynicism. The Prime Minister refused to fund a referendum on the Lisbon treaty, although he had promised that, but he now wants us to fund a referendum on a change that he has always opposed.

This money resolution also illustrates the profligacy of the Prime Minister. He wants us to spend public money on something we do not want, even though that money is not readily available, thus ratcheting up debt and taxation, and his sole motive is personal ambition cloaked in the language of moral purpose. This House has heard too much about the moral compass to be readily deceived.

We should also consider the intellectual dishonesty involved. We are being asked to spend public money on the alternative vote, but there are many other ways of electing a Parliament, of course. Some of them appear on the amendment paper. The Liberal Democrats favour the single transferable vote, as spelled out in amendment (b) to new clause 88. The right hon. Member for Birkenhead (Mr. Field) favours the "two-round runoff system" in amendment (j) to that new clause, while the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) refers to the top-up system in amendments (m) and (p). In common, I suspect, with most Conservative Members, I prefer first past the post, but the Prime Minister, without proper consultation—indeed, without any consultation at all—wants to spend public money to promote not a broad debate on the merits of electoral reform, but a narrow proposal, which in the dark watches of the night, if not the dark watches of his soul, he thinks might favour his electoral prospects.

Mr. John Gummer (Suffolk, Coastal) (Con): I am sure my right hon. and learned Friend has thought about this himself in the dark watches of the night, but am I not right in saying that AV has been chosen because it is the only system that, had it been in force in the last election, would have produced an even more unfair—if that is the right word—result than the system we have?

Mr. Hogg: Yes, indeed. It has the curious property of producing not the most popular representative, but the least popular. That is its curious characteristic. The House should note, too, how the question will be framed—not after full debate in this House on an amendable motion, where all the options can be canvassed and included, but through an unamendable order, almost certainly debated in quick time and subject to intensive whipping. That is what this money resolution seeks to propose. Thus the Prime Minister proposes to dispose of a system of election that has carried this country through war and tribulations.

Daniel Kawczynski (Shrewsbury and Atcham) (Con): I am grateful to my right hon. and learned Friend. May I inform him, as joint chairman together with the hon. Member for Central Ayrshire (Mr. Donohoe) of the all-party group on first past the post, that the largest contingent of that all-party group is made up of Labour Scottish MPs who have seen at first hand the chaos and mayhem that this system has brought to elections north of the border?

Mr. Hogg: Had those Members the courage of their convictions, they would be voting against it today.

Hugh Bayley (City of York) (Lab): Will the right hon. and learned Gentleman at least acknowledge that the alternative vote system is not the system used north of the border, as his hon. Friend the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski) mistakenly told the House?

Mr. Hogg: My hon. Friend the Member for Shrewsbury and Atcham (Daniel Kawczynski) will doubtless seek to catch your eye, Mr. Deputy Speaker. I am not going to fall into an argument about this, but what is certainly true is that most of the Scottish Members—and indeed, I gather, at least 40 other Labour MPs—would prefer not to see the Prime Minister's venture being carried through.

I want to conclude with the following observation. The Prime Minister wants to spend public money on a venture for which there is neither justification nor public demand. It is true that politicians, politics and Parliament have sunk low in public esteem—I recognise that fact—but a change in the voting system, funded by the money resolution before us, will not address that. I believe that the principal reason that we are so disliked is that the public have come to realise what most of us know: namely, that we are not doing the job that we ought to be doing. We are failing to hold the Executive to account. We are failing to scrutinise legislation in the way in which it ought to be scrutinised. We have allowed the powers of this House to be usurped by Government and we have created the elected dictatorship.

Mr. Andrew Pelling (Croydon, Central) (Ind): Would it not be possible for Members of this House to take back that power from the Whips? It is the Whips, with their wily ways, who stop us. Surely it would be better—the

debate resonates back to the Chartists—to have a referendum on allowing a fifth of us to retire every year and on having yearly elections to this Parliament. In that way, we would be closer to the people, not necessarily—

Mr. Deputy Speaker (Sir Michael Lord): Order. Before the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) responds to that intervention, may I remind him and the House that we are debating quite a narrowly drawn money resolution at the moment? There will be ample opportunity to consider the other merits of the matters when we move into Committee.

Mr. Hogg: I was rather minded of that before you intervened, Mr. Deputy Speaker. Let me make this response, if I might, to the hon. Member for Croydon, Central (Mr. Pelling). I have always and often criticised the Whips in this place—that is true—but I do not believe that they are the fundamental problem. I believe that the cowardice of Members is the ultimate problem. I do not believe that we will solve this issue unless we have true separation of powers, but I recognise that that is extraordinarily difficult to achieve.

Let me revert to the subject of the money resolution. The issue is profound, but it will not be solved by the alternative vote. The money resolution will simply deepen public disdain. It will be seen as a misuse of public money by a Prime Minister who has become arrogant in office, undemocratic by habit and craven by instinct. This House can deny him the money this afternoon, and we should do so.

4.44 pm

Mr. Richard Shepherd (Aldridge-Brownhills) (Con): I follow my right hon. and learned Friend the Member for Sleaford and North Hykeham (Mr. Hogg) with great pleasure. This morning, after I had struggled into the House through the tumbleweed on the floor, the gales blowing through and the emptiness of our proceedings, I noticed that a money resolution was, unusually, tabled for debate before the business that we are to discuss. Given that it was not, as my right hon. and learned Friend has rightly pointed out, on the Lisbon treaty or anything like that, I read what it was about. I note that it shows the fatuity of the Bill, which produces babies every time we do anything on it. We are debating money resolution No. 3; each such resolution charts a special little sub-Bill that is stuck into the midst of it. So, as we continue our proceedings on the Bill, we are now tacking on another Bill—as that is what it is. The money resolution represents what should be a separate Bill in its own right. As my right hon. and learned Friend has indicated, if it were a Bill, we would be able to explore all the arguments on this issue.

I know that the Prime Minister has abolished boom and bust, and I now know that he wants to reform our voting system, but let me make an observation. The first-past-the-post voting system goes back to before time almost. It was the way by which, in ancient societies, in a one-vote system, the individual who had the most votes came first. It was the most simple rubric for determining who should be elected. That is how things were, but there has been a reversion. I am told that the Liberal Democrats support the money resolution and the purposes behind it. They have forgotten the advice of Lord Jenkins in his commission's report. The system that we are debating cannot be said to be an equal or proportionate system any more than the first-past-the-post system can. It therefore means that the least-objectionable candidate is elected. I note that the Jenkins report talked about seeking not consent but acquiescence. There is no sense of consent regarding the motion, certainly on the Conservative side, and the best that the Government can seek is acquiescence to it. I do not acquiesce to the money resolution; I note simply that it is a distraction.

Mr. Frank Field (Birkenhead) (Lab): I am sorry that I did not hear the beginning of the hon. Gentleman's speech, but the money resolution is important only if we think that the Bill is going anywhere, is it not?

Mr. Shepherd: That is the point that I want to emphasise. If we defeat the money resolution, we will not have dealt with the rest of the debate, but there will be no money to fulfil the expectations that come from it. That is why I urge the House to reject the motion. If it genuinely believes that there is merit in the resolution, there should be a full and proper Bill that will enable us to debate the views of the Liberal Democrats and the Conservatives and other varied views across the House. No costing is associated with this matter. In a time of economic crisis, the resolution is a wild distraction that emphasises the futility of the Constitutional Reform and Governance Bill, with all its add-ons.

Tom Levitt (High Peak) (Lab): I believe that the hon. Gentleman has won a seat in this place in seven general elections. In how many of those elections did he achieve 50 per cent. or more of the vote? I know that he did not in the last election. Would it not be nice for him to know that he had at least the conditional support of more than 50 per cent. of those who turned out?

Mr. Deputy Speaker: Order. I am sorry to intervene again, but we are talking simply about the expenses involved in this matter, not the details of the matter itself, which must wait until we are in Committee.

Mr. Shepherd: Thank you, Mr. Deputy Speaker. I should have liked to reply "five" to that question, but that would not be appropriate, as you have noted.

I was talking about expenditure, about the lack of estimates and about the distraction from substantial matters that this matter entails. For those reasons, I oppose the money resolution. I believe that in the dying days of this dying Parliament we should show some resolution along the lines that I have described. This House itself is dying. Parliament's purpose is to hold Governments to account on the expenditure of money. That is essential, as are the processes by which we look at that expenditure and the balance of the arguments that are put, yet today we have only 45 minutes for debate—and on most money resolutions we do not even get that.

So I urge the House to reject with a cheer the nonsense that is this motion and this Bill. The sooner that we tell the Government that there is no business worth considering, the better. The people must determine the fate of every one of us here. We must give up absurd gestures such as this referendum proposal, which has been dreamed up and put on the Order Paper inside a week. The Government tell us that it is a serious constitutional measure that must be debated, even though there is no possibility of an outcome.

4.50 pm

Mr. David Heath (Somerton and Frome) (LD): You were correct, Mr. Deputy Speaker, to point out to the House that we are discussing a money resolution now, not the content of the amendments and new clauses coming up later in Committee. Many may say that the referendum proposal is merely a gimmick on the Prime Minister's part, but that is no of consequence in this debate.

Mr. Hogg: Will the hon. Gentleman give way?

Mr. Heath: I will give way later. The Government have been in power for 12 years and done nothing about electoral reform. A few weeks before a general election, they find that they have been converted but, again, that is not a matter for this debate on the money resolution—and neither is the fact that they are so irresolute that they cannot bring themselves to agree even with the proposal that they say that they want to put before the British people in a referendum.

As has been pointed out, the system that would be the subject of the question in such a referendum is not a proportional one. The hon. Member for Aldridge-Brownhills (Mr. Shepherd) was right to commend the single transferable vote as a proportional system, and we welcome his views. We hope that he will join us when we discuss the amendment that would enable that system to be the question to be put before the people in a referendum.

Mr. Dominic Grieve (Beaconsfield) (Con): Will the hon. Gentleman give way?

Mr. Heath: I said that I would give way to the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg).

Mr. Hogg: The plain truth is that, if this is the useless gimmick that the hon. Gentleman says that it is, we should not be paying for it.

Mr. Heath: But ideas are not responsible for their authors. It may well be that, in the mind of the Prime Minister, this is a gimmick, but my point is that it may also be an idea worth putting before the British people.

The key is that we must debate this Bill and amend it to ensure that a proper referendum is held at the proper time. That referendum must give the British people a proper choice about whether to maintain the present discredited system for electing Members to this House—this neanderthal system that is older than time itself. Conservative party members consider the present system to be out of date and do not use it to elect their leader, yet they believe it to be right for the election of Members to this House.

Mr. William Cash (Stone) (Con): Will the hon. Gentleman give way?

Mr. Heath: No, as I am about to finish. The British people should be given a choice between the present system and a proper proportional system, and that is the question that should be put to them in a referendum. This Bill, if it becomes an Act, would enable such a referendum to take place, but people with a vested interest in maintaining the present rotten system say that they will obstruct it by preventing agreement to the money that it needs. I think ill of them for that.

I believe that we should trust the British people—and not the opinions of those who benefit from the present unfair system. I now give way to the hon. and learned Member for Beaconsfield (Mr. Grieve).

Mr. Grieve: I am most grateful to the hon. Gentleman. He knows that there is no prospect of the amendment that he has tabled being carried by this House. I think that the gimmick that we are discussing would require expenditure of about £80 million of public money, at a time of financial constraint. He does not approve of the scheme, so does he think that all that money should be spent on it?

Mr. Heath: I shall not prejudge the debate that we are about to have, but the hon. and learned Gentleman obviously feels that we should. He feels that, from his position, he knows the outcome, and he is not prepared to back the British people's judgment on the electoral system. I am prepared to trust the people; I am prepared to go along with that concept; and that is why I shall support the money resolution.

4.54 pm

Mr. John Gummer (Suffolk, Coastal) (Con): Earlier today we had a discussion about out-of-hours GP provision. In my constituency and the whole of Suffolk, including your constituency, Mr. Deputy Speaker, we do not have enough money for more than three doctors to provide an out-of-hours service. We have no money for a whole series of important things; the leaders of both major political parties admit that we have to cut the crucial things that service our constituents; and the Government have proposed that we spend £80 million or thereabouts—they have not worked out how much—on a question that very few people in this House think suitable.

This debate is about the money resolution, but the previous contribution was a revealing statement of Liberal party economics. It showed that the Liberal party does not believe that one discusses the money in any connection with the purpose for which it might be used. As for "ideas are not responsible for their authors," that is about as elliptical and confused a concept as the average Liberal Democrat party political broadcast; it is, indeed, typical Liberal confusion. There is nothing more confused than the Liberal Democrat party except the proposition that the Government have put before the House.

The money resolution is, frankly, a scandal. My constituents do not have the wherewithal to keep our current systems going, because the Government have taken money from the national health service and local government and spread it elsewhere in order to distribute it to their heartlands. It is therefore a scandal to talk to my constituents about £80 million, and they will not forget it at the election. More importantly, the neighbouring constituencies, which are very marginal, will certainly not forget it. They will return to this House people more willing to care for the public finances.

We are here to defend the freedom of the people and to protect the taxpayer. The original purpose of this House was to ensure that the Executive did not spend money unwisely; did not spend money without due concern; did not spend money without exact accounting; and did not spend money in a way that the public felt unnecessary. That is why we are here.

On this occasion, we are invited to spend money where there is no count; invited to spend money on something that the public have shown no concern for; and invited to spend money on asking a question that is not connected with the argument and not supported by anybody on any side of the argument except the Prime Minister, who has worked out—although I suspect that it was worked out for him—that this is the one change that would make the current system worse mathematically. We are invited to do so also before we have discussed the matter, and that is wholly contrary to the way in which the money resolution is normally placed.

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw) *indicated dissent.*

Mr. Gummer: In the old days, which the right hon. Gentleman might remember, we discussed the issue first and then we came to the money resolution, because we had decided that the issue was one on which it was worth spending the money. In this case, we are discussing the money resolution first, because we know perfectly well that if the Government actually faced the issue, they would find it very difficult to get even their own supporters behind them.

Mr. Shepherd: We know the reason why; it was to prevent the House from wasting 40 minutes after 10 o'clock, as the Government then saw it. So they changed the procedures of the House yet again.

Mr. Gummer: That reminds us why this is such an outrage and such a scandal. The reason why the House is not keeping the Government under control is that the Government took advantage of a point at which large numbers of hon. Members were new to say that they were modernising the system in the House, when in fact they were taking powers away from the House and depositing them in their own pocket. That is what they did.

The Government also did two other things. They introduced a system of guillotines, which is entirely foreign to this country and stops the proper debate and discussion of motions such as this. Secondly, they changed the system on money, so that we were gulled into a position in which the House was able to vote for money on subjects that it did not want for sums that it did not compute. For that reason, of all the issues that we have had before the House, this motion is more redolent of the smell at the heart of this Government—the disgracefully decaying Government who are before us—and the stench of a Prime Minister who puts his own future before that of this nation.

5.1 pm

Sir Patrick Cormack (South Staffordshire) (Con): As I follow my right hon. Friend's splendid speech, I am tempted to remember the American politician who talked of an opponent being like "rotten mackerel by moonlight" that "stinks".

This stinks. The motion is a most appalling illustration, on the one hand, of the prodigality of the Prime Minister and, on the other, of the contempt in which the Government hold this House of Commons. Here we are in the dying days of a decaying Parliament, and what should we be doing to restore the reputation of this honourable House? We should be devoting such time as we have between now and going to the polls to discussing the great issues of the day.

Can this motion, by any stretch of the imagination, be construed as one of the great issues of the day? It is utterly irrelevant to our constituents' interests and, as my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) has just illustrated, it proposes the expenditure of £80 million. There is not a Member of the House who could not get inestimable benefits for his or her constituents for a 10th of that.

I do not want to take long, because I want to direct my remarks entirely to the motion before us. The other thing is this. The motion not only illustrates the prodigality of the Prime Minister—with his busted reputation for financial acumen, which went down the drain a very long time ago—but shows that the Government have no place in their affections or regard for Parliament. They are thrashing around like a dying tyrant, seeking to use their majority to take the public eye off the things that really matter and, perhaps, to save their skins in what they think might become a deal in the future—we remember the Lib-Lab pact, Mr. Deputy Speaker—with those who might come to their aid and succour.

If anything ought to make the people of this country realise that we are going through a shoddy, shabby exercise this afternoon, it is this debate. I very much hope that all my right hon. and hon. Friends will go into the Lobby, as I shall, to try to deny this useless expenditure—this prodigal waste of money—that would be a disgrace to the Government, if we allow them to get away with it.

5.4 pm

Mr. Dominic Grieve (Beaconsfield) (Con): When the Government came up with these proposals, they could not, when asked, provide costings on how much they would have to spend in order to allow this referendum to take place. Only bit by bit has the figure of £80 million gradually been extracted as the economic cost of carrying it out, and even that—I wait to hear from the Secretary of State in a few minutes—appears to be far from clear. That is £80 million for a gimmick that the Government wish to foist on the electorate, and at a time when they keep pointing out to us that savings are going to have to be made and that every pound matters.

I do not know where the £80 million is supposed to come from, but on my calculation it would pay for the prison places needed to scrap the early release scheme, which the Secretary of State says is so important to him; it would fund 15 rape crisis centres, if that is what he wants to do out of the justice budget; and it would enable him to drop the disgraceful policy of refusing to meet the legal costs of acquitted defendants who do not enjoy legal aid. All those things could be done, and I have to say to him that that would be money much better spent.

For those reasons, the House should have the courage to say that £80 million misspent is a travesty and a denial of our responsibility to the electorate, and it should reject this motion.

5.6 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I have sat in this House for a very long time, and rarely have I heard such hyperbole and abuse in place of serious argument. The hon. and learned Member for Beaconsfield (Mr. Grieve) said that

[Mr. Jack Straw]

information about the cost had to be extracted from us. That is not so: we have answered a whole series of parliamentary questions on this. The cost of a referendum is hardly a surprise. Given that it involves all the electors of the United Kingdom and similar provisions for Freepost and so on, it comes to about the same as the cost of a general election, which is indeed about £80 million. Which Department will the money come from? It will come from the Consolidated Fund, as all electoral expenditure does. Of course it is £80 million, but it is £80 million as a single piece of expenditure in a single year. Why is there no direct parallel with, for example, the cost of providing additional prison places? Because, as the hon. and learned Gentleman will discover if he ever ends up in the position of having to negotiate with the Treasury for a departmental budget, there is a world of difference between single, one-off expenditure and continuing expenditure that involves costs every year.

I have a lot of time for the right hon. Member for Suffolk, Coastal (Mr. Gummer), but he has a bit of gall complaining about the amount of money that he claims is not available for the health service in his constituency. The amount of money spent on health services in his constituency has more than doubled, if not trebled, in real terms since 1997. There will not be a health facility in his constituency, nor a school, that has not significantly improved.

Mr. Gummer: I am looking forward to having the precise figures on that, because it certainly does not characterise what is happening in the health service in my constituency. Indeed, my local health professionals are very clear that they cannot provide the service that they want to provide because they are among the lowest quintile in the country, whereas they used to be much higher when age was taken into account, which it no longer is in the same way.

Mr. Straw: I am very happy to ensure that the right hon. Gentleman is provided with that information.

The right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) said that in the course of the debates about whether we should have had a referendum on the Lisbon treaty, the argument that we used was one of money. Many arguments were used about why the Lisbon treaty did not require a referendum, but there was never, in my recollection, any suggestion whatsoever that cost was one of them. Indeed, it scarcely lies well in the mouths of Conservatives, who have repeatedly called for referendums on such issues, now to deny a referendum on a most central issue, namely how this country should vote.

Mr. Andrew Tyrie (Chichester) (Con) *rose—*

Mr. David Evennett (Bexleyheath and Crayford) (Con) *rose—*

Mr. Straw: I will not give way, because I only have a short time.

We have heard suggestions that the idea of the alternative vote is some great anathema, and that alternatives to first past the post have never been considered. We will come on to that in more detail in Committee, but that is an extraordinary suggestion. As the hon. Member for Somerton and Frome (Mr. Heath) pointed out, the Conservative party elected the right hon. Member for Witney (Mr. Cameron) as its leader not by first past the post but by the alternative vote. [HON. MEMBERS: "Gimmick!"] Well, we know that. But it gets better—or worse, depending on one's point of view. It will be within the recollection of the House that just two weeks ago we had a great debate about whether we should end by-elections for hereditary peers. We voted for that, and so did the Liberal Democrats. The Conservatives voted to support the system of electing hereditary peers. May I ask whether any Opposition right hon. or hon. Member knows what the system of elections for hereditary peers is?

Sir Peter Tapsell (Louth and Horncastle) (Con) *rose—*

Mr. Straw: Ah, come on!

Mr. Deputy Speaker: Order. May I remind the House of what I said earlier? We should confine our remarks to the money involved in the measure before us, and we certainly should not go down the kind of avenue that the Secretary of State is in danger of straying down.

Sir Peter Tapsell: May I just point out a mathematical fact to the Secretary of State? The leader of the Conservative party was not elected by the alternative vote, because there were only two candidates.

Mr. Straw: That does not stop it being an alternative.

To revert to my point, no Opposition Member can tell me the system for the election of hereditary peers, which they defended. The answer is that it is the alternative vote. I have here the last result of an election of a Conservative peer, and—

Mr. Deputy Speaker: Order. I am in danger of interrupting the Secretary of State too often, but I will continue to do so unless he comes back to the money resolution before the House.

Mr. Straw: I was seeking to make the case for why this expenditure represents value for money, Mr. Deputy Speaker. It is £1.20 per elector in the country. It is not correct to say that the issue has not been the subject of great consideration over many decades, as I will point out in my speech on new clause 88 in a moment. The truth is that a system of eliminating ballots is used by the Conservative party under its constitution, and it amounts to an extended form of the alternative vote. It is also used for the election of hereditary peers—a system that the Conservatives sought to defend less than two weeks ago. [HON. MEMBERS: "You set it up!"] No, the House of Lords set up the system of elections, and the Conservatives have actively supported it. I have checked and checked again, and never once have the Conservatives at the other end of the corridor suggested that the first-past-the-post system should be used for the election of hereditary peers.

Mr. Cash: Will the Secretary of State answer our very simple question about the intellectual dishonesty that lies behind the proposals and about the fact that throwing all this money at this absurd proposal is no more than a cynical ploy to try to increase the Labour party's opportunity to get a bigger electoral result? Is that not really the point?

Mr. Straw: If it were a cynical ploy, which it is not—*[Interruption.]* I could understand that argument if we were seeking to introduce this change without any referendum of the British people. The hon. Gentleman is a leading proponent of referendums, and I have sat in this House time and again listening to him. On any basis, how we elect our Members of Parliament is a rather more important matter—or, in his view, an even more important matter—than whether we are subject to the Lisbon treaty.

What we are proposing—this is all that we are proposing—is to provide for the money so that there can be a referendum over the next 20 months, so that not this House, nor any so-called deal, but the British people, in the secrecy of the ballot booth, determine what system, between first past the post and the alternative vote, will apply. I cannot for the life of me see why the Conservatives do not have the courage of their convictions to be ready to argue in favour of first past the post—as many Labour Members may well do—before the British people in a properly established and regulated referendum.

Question put.

The House divided: Ayes 357, Noes 180.

Division No. 76] **[5.15 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Baker, Norman
Balls, rh Ed
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Charles
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Cohen, Harry
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curtis-Thomas, Mrs. Claire
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Ennis, Jeff
Etherington, Bill
Farron, Tim
Featherstone, Lynne
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Galloway, Mr. George
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, rh Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Havard, Mr. Dai
Healey, rh John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Hermon, Lady
Hesford, Stephen
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hope, Phil
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Hutton, rh Mr. John
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kilfoyle, Mr. Peter
Knight, rh Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGovern, Mr. Jim
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
Meale, Mr. Alan

Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Mulholland, Greg
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Robertson, Angus
Rogerson, Dan
Rooney, Mr. Terry
Rowen, Paul
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Dr. Richard
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Mr. Frank Roy and Mr. George Mudie

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Cameron, rh Mr. David
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Pelling, Mr. Andrew
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Shepherd, Mr. Richard
Simmonds, Mark
Simpson, Mr. Keith

Smith, Chloe
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Winterton, Ann
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Jeremy Wright and James Duddridge

Question accordingly agreed to.

Constitutional Reform and Governance Bill

[Relevant documents: Report of the Joint Committee on the Draft Constitutional Renewal Bill, Session 2007-08, HC 551-I and–II, and the Government response, Cm 7690. Tenth Report from the Public Administration Select Committee, Session 2007-08, on Constitutional Renewal: Draft Bill and White Paper, HC 499, and the Government response, Cm 7688. Fourth Report from the Joint Committee on Human Rights, Session 2009-10, on Legislative Scrutiny: Constitutional Reform and Governance Bill; Video Recordings Bill, HC 249. The Scottish Parliament has passed a Legislative Consent Resolution in respect of this Bill. Copies of the Resolution are available in the Vote Office.]

[6TH ALLOCATED DAY]

Further considered in Committee

SIR ALAN HASELHURST *in the Chair]*

New Clause 88

REFERENDUM ON VOTING SYSTEMS

'(1) A referendum is to be held, no later than 31 October 2011, on the voting system for parliamentary elections.

(2) The Secretary of State must—

(a) present to Parliament a Command Paper describing an alternative-vote system for consideration by voters in the referendum;

(b) by order made by statutory instrument specify the question to be asked in the referendum (and any statement that is to precede the question) and fix the date of the poll.

(3) The question specified under subsection (2)(b) must ask voters whether they would prefer the alternative-vote system described in the Command Paper to be used for parliamentary elections instead of the existing voting system (commonly referred to as "first past the post").

Any form of words to that effect may be used.

(4) In this section "alternative-vote system" means a system under which, for each constituency—

(a) one candidate is elected;

(b) voters must indicate their first-choice candidate and may also rank any or all of the other candidates in order of preference;

(c) votes are allocated to candidates in accordance with voters' first choices and, if one candidate has more votes than the other candidates put together, that candidate is elected;

(d) if not, the candidate with the fewest votes is eliminated and that candidate's votes are dealt with as follows—

(i) each vote cast by a voter who also ranked one or more of the remaining candidates is reallocated to that remaining candidate or (as the case may be) to the one that the voter ranked highest;

(ii) any votes not reallocated play no further part in the counting;

(e) if one candidate now has more votes than the other remaining candidates put together, that candidate is elected;

(f) if not, the process mentioned in paragraph (d) is repeated as many times as necessary until one candidate has more votes than the other remaining candidates put together, and so is elected.

(5) The reference in subsection (4)(d) to the candidate with the fewest votes, in a case where there are two or more candidates with fewer votes than the others but an equal number to each other, is a reference to the candidate eliminated in accordance with whatever provision is made for that case.

(6) The reference in subsection (4)(f) to the candidate with more votes than the other remaining candidates put together, in a case where there are only two remaining candidates and they have an equal number of votes, is a reference to the candidate elected in accordance with whatever provision is made for that case.

(7) A statutory instrument specifying the question to be asked in the referendum or fixing the date of the poll may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.

(8) Subsection (1) and sections [Entitlement to vote] to [Restriction on legal challenge to referendum result] do not apply (and no further duty arises under subsection (2)(b)) if either House of Parliament, on a motion to approve a draft laid under subsection (7), decides not to approve it (unless the Secretary of State decides to lay the draft again under subsection (7), or to lay a revised draft under that subsection, and the re-laid or revised draft is approved by a resolution of each House).'.—*(Mr. Straw.)*

Brought up, and read the First time.

5.32 pm

The Secretary of State for Justice and Lord Chancellor (Mr. Jack Straw): I beg to move, That the clause be read a Second time.

The Chairman of Ways and Means (Sir Alan Haselhurst): With this it will be convenient to discuss the following: amendment (a), leave out "31 October" and insert "30 May".

Amendment (b), leave out "an alternative-vote" in subsection (2)(a) and insert "a single transferable vote".

Amendment (c), leave out "the alternative-vote" in subsection (3) and insert "a single transferable vote".

Amendment (j), leave out "describing an alternative-vote system" and insert

"setting out the mechanism, and the advantages and disadvantages, of

(a) an alternative-vote system,

(b) a two-round runoff system,

(c) the existing voting system (commonly referred to as "first past the post").".

Amendment (k), leave out from 'voters' to end of line 15 and insert

"to select one of three options set out in the Command Paper.".

Amendment (l), at end insert—

"(6A) In this section "two-round runoff system" means a system under which, for each constituency—

(a) one candidate is elected;

(b) a second ballot may be held if a candidate is not elected on the first ballot;

(c) for a candidate to be elected they must secure more than fifty per cent. of the votes cast on either the first or second ballot;

(d) on the first ballot voters must nominate a single candidate;

(e) on the first ballot there is no limit to the number of candidates which may stand;

(f) votes are allocated to candidates and, if one candidate has more than fifty per cent. of the votes cast, that candidate is elected;

(g) if not, the two candidates with the most votes on the first ballot enter a second ballot to be dealt with as follows—

(i) the second ballot must be held one week after the first ballot;

(ii) voters must nominate a single candidate;

(iii) no new candidate may enter the second ballot;

(iv) votes are allocated to candidates and the candidate with the most votes is elected;

(h) if in the second ballot it appears that there is an equality of votes between both candidates, the returning officer shall decide between them by lot and proceed as if the candidate on whom the lot then falls had received an additional vote.".

Amendment (e), leave out subsection (8).

Government new clause 89—*Entitlement to vote.*

Government new clause 90—*Referendum period.*

Government new clause 91—*Role of Electoral Commission.*

Government new clause 92—*Payments to counting officers.*

Government new clause 93—*Taxation of counting officer's account.*

Government new clause 94—*Restriction on legal challenge to referendum result.*

Government new clause 95—*Referendums: person may not be "responsible person" for more than one permitted participant.*

Government new clause 96—*Referendums: expenses incurred by persons acting in concert.*

New clause 32—*Referendum on electoral reform—*

"(1) The Secretary of State shall be under a duty to ensure that a referendum on reforming the electoral system for the House of Commons is held before 28 October 2010.

(2) The referendum must offer a choice between the existing method of voting and a preferential system.

(3) If the result of the referendum is in favour of changing the electoral system for the House of Commons, the Secretary of State shall be under a duty to lay implementing measures before Parliament within three months of the date of the referendum.

(4) In this section—

"implementing measures" means measures designed to and likely to implement the result of the referendum before the general election next following the referendum, and includes bills and statutory instruments;

"preferential voting system" means a system of voting in which electors may express their support for individual candidates in order of preference and in which they are not restricted to expressing a fixed number of preferences.".

Government amendment 136.

Amendment 135, in clause 62, page 33, line 38, after "Part", insert

"and section [*Referendum on electoral reform*]".

Government amendment 137.

Mr. Straw: If I may, Mr. Haselhurst—[HON. MEMBERS: "Sir Alan!"] Sir Alan, I am sorry.

The Chairman: Order. I am touched, but if it is any difficulty for the Secretary of State, he could just say Mr. Chairman.

Mr. Straw: Sir Alan, I apologise profusely.

It might be convenient if I give the Committee notice—I have already given the Table Office and the official Opposition notice—in respect of new clause 98, in the names of the hon. Member for Epping Forest (Mrs. Laing) and several of her hon. Friends and my hon. Friends,

including my hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith). It proposes that the counting of votes at the general election should take place within four hours of the close of the poll unless there are exceptional reasons. There was a discussion about that during Justice questions about an hour and a half ago, and I propose to attach my name to the new clause, so that it can be the subject of a vote.

I say to my hon. Friends that my right hon. Friend the Chief Whip is proposing that there be a free vote on the Labour Benches. I would like to add a caveat. As is often the case, the wording of the new clause may need to be revised, but it was the view of the Minister of State, Ministry of Justice, my right hon. Friend the Member for North Swindon (Mr. Wills) and myself that, rather than leaving the matter entirely open until Report, it would be better for there to be a clear text in the Bill that could be amended later if necessary, and that a clear message went out to electoral registration officers now about the intent on both sides of the House.

Mrs. Eleanor Laing (Epping Forest) (Con): May I congratulate the Lord Chancellor on his courage in adding his name and that of his right hon. Friend to our amendment? It has support on both sides of the House, and many people will be delighted at what he has done this afternoon. We accept entirely that the wording may have to be altered, and we will give him every support in doing so.

Mr. Straw: I am very grateful to the hon. Lady.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): If we are putting through new clauses without debate, will the right hon. Gentleman ensure that the programming for the next stage makes time to debate any necessary amendments to tidy up that new clause?

Mr. Straw: What I can undertake to do is ensure that my name is attached to any amendments, so that they would have to be the subject of a vote. What I cannot guarantee absolutely is how much time would be available. However, I should have said to the Committee that my right hon. Friend the Minister of State will share the draft text of any proposed amendments with all the other main parties represented in the Committee in advance of their being tabled.

Mr. Andrew Pelling (Croydon, Central) (Ind) *rose—*

Mr. Straw: I will give way to the hon. Gentleman, although I do not think that he has a party behind him.

Mr. Pelling: And the House would be a great deal better off if Members were independent. On the point about overnight counting, I won by 75 votes when I stood as a Conservative candidate, and there were three recounts. Does the right hon. Gentleman not understand that it is not right in a parliamentary democracy that the people who have to do the counting should do so when they are half awake? Surely whether counts take place in the morning or overnight is not such a great issue.

Mr. Straw: New clause 98 provides for the counts beginning within four hours of the close of the poll. Everybody accepts that, when there is a requirement for a recount, the counting can be suspended until the following day, as is often the case. However, concern has been expressed in all parts of the House about a growing trend among returning officers to defer until the following day—for their own convenience and nobody else's—the counting of most of the constituencies which in the past have always been counted on the night of the election.

Bob Spink (Castle Point) (Ind) *rose—*

Mr. Straw: If the hon. Gentleman will forgive me, I should like to make some progress on the clauses before the Committee; I look forward to similar agreement across the Chamber in respect of those clauses.

New clause 88 provides for a referendum on our voting system for the Westminster Parliament to be held by October 2011.

Sir Patrick Cormack (South Staffordshire) (Con) *rose—*

Mr. Straw: I will give way, but I need to make some progress first.

That referendum will allow the British people to choose whether they wish to retain the present system of first past the post, or move to the alternative vote, which, as I think the Committee knows, is a system by which candidates are ranked in order of preference by voters. If on the first count no candidate has achieved 50 per cent. plus one of the votes cast, the candidates with the fewest first preferences are eliminated, with the second preferences counted, and so on. That is the same system, in conception, as eliminating ballots. However, I do not really need to spell that out to the Committee, because Members belonging to every party represented here will have direct experience of systems of eliminating ballots, whether they take place at a single moment or over an extended moment.

Mr. David Wilshire (Spelthorne) (Con): Will the right hon. Gentleman give way?

Sir Patrick Cormack: Will the right hon. Gentleman give way?

Mr. Straw: In one second.

All the major parties represented here have at the heart of the election of their leaders an electoral system that involves the progressive elimination of candidates. Sometimes elimination rounds are used. The Conservative party conducts sequential votes when there are more than two candidates, until the final two candidates are put to the membership. The Liberal Democrats use the single transferable vote, which amounts to the alternative vote when there is only a single post to be filled. The Labour party has long used the alternative vote for the election of its leader and deputy leader. It used to have lengthy eliminating ballots for local selections, but has now generally moved to the alternative vote system.

Mr. Dominic Grieve (Beaconsfield) (Con) *rose—*

Sir Patrick Cormack *rose—*

Mr. Straw: If I may, I will give way to the hon. Gentleman first, and then to his hon. and learned Friend.

Sir Patrick Cormack: I am grateful to the Lord High Chancellor. He has a reputation of being a supporter of first past the post. If there is a referendum, on which side will he campaign?

Mr. Straw: What I have long been a supporter of is—[HON. MEMBERS: "Answer!"]—I am going to answer: majoritarian systems. If the hon. Gentleman, who is very assiduous, had bothered to read a very fine pamphlet written in 1986 by my right hon. Friend the Member for Neath (Mr. Hain), "Proportional misrepresentation: the case against PR in Britain", he would have seen that I gave support to the alternative vote. I am on record as having supported for getting on for a quarter of a century the alternative vote system for parliamentary elections. My passion is for majoritarian systems, as opposed to proportional representation, for all the reasons that are generally shared throughout the House. I must also tell the Committee that the new hardback copy of my right hon. Friend's important work is in such demand that, according to Amazon, a new copy will cost $600, although second-hand editions can still be had for four quid.

Mr. Grieve: I was a bit puzzled to hear the right hon. Gentleman praying in aid the Labour party's election system because, apart from the fact that the Prime Minister was not subjected to it, I seem to recollect that, under that system, one third of the vote is reserved for the union paymasters. I hope that the Justice Secretary is not about to offer that to the Committee as an example.

Mr. Straw: That shows how little the hon. and learned Gentleman knows about the Labour party's system, which provides an opportunity for millions of individual members of trade unions to vote in a postal ballot for the candidates of their choice. The idea that the system is in the hands of a few trade union paymasters is completely incorrect.

I should also like to remind Conservative Members of something that they learned only half an hour ago, and that might have come as a great surprise to them. The system of election for hereditary peers, which they are so passionate in supporting, and which they voted to continue just two weeks ago is—guess what—not a first-past-the-post system but an alternative vote system.

Alan Duncan (Rutland and Melton) (Con): It is your system.

Mr. Straw: The hon. Gentleman says that it is our system, but, while the law provides that there has to be a system—this House agreed that—it was the other place that provided that system. Conservative peers could have objected to the use of the alternative vote at any stage over the past 10 years, but they have never done so. I therefore hope that we will hear no more about the idea that the alternative vote, or eliminating ballots, which are used by the Conservative party for the election of hereditary peers, have some fundamental flaw that is so dangerous that a choice between the alternative vote and first-past-the-post should not even be put to the electorate.

Lynne Jones (Birmingham, Selly Oak) (Lab): My right hon. Friend has suggested that his own preference is for AV, but the Government set up a royal commission to look into this matter, and I wonder why they are not proposing to put forward the recommendation of the Jenkins commission in the referendum. It would certainly not be tainted by any party political considerations.

Mr. Straw: My hon. Friend will remember the debates that took place on the Jenkins commission when it reported to the House when I was Home Secretary, towards the end of 1999. It rapidly became clear that there was no consensus around it. What is more, with the passage of time, concern has been expressed about dual systems of membership, particularly in Scotland and Wales. Speaking personally, I happen to believe that the system of single-Member constituencies, in which one Member alone has the duty to represent everyone in that constituency or community, is fundamental to the workings of our democracy. That system gives a directness and authority to the relationship which does not exist in the same way under multi-Member constituency systems.

Furthermore, I support majoritarian systems because majority Governments are far preferable to the weaker minority and coalition Governments that are almost invariably the consequence of systems of proportional representation. I thought that before I first came into the House; I thought it throughout the 18 years I spent on the Opposition Benches; and nothing I have seen of other countries' systems of proportional representation has convinced me that they have better alternatives.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): Perhaps we could achieve consensus if we looked at the Scottish experience, where four different systems of voting are in place. Surely if we were to look at that and have a referendum, we could encompass those as part of the question, allowing people to choose the single system that they want for voting.

5.45 pm

Mr. Straw: I am glad that my hon. Friend acknowledges the importance of giving the British people a choice. We have to make a judgment about the alternatives to put before the British people—we have to make it; nobody else can, as it has to become law. My belief is that the best way to conduct a referendum is to confine it to a single institution—in this case, the Westminster Parliament. I understand my hon. Friend's concern; he and I have discussed on many occasions the dual-Member system in Scotland and the concerns expressed about it, but the fact that we are to have a referendum on this issue does not necessarily rule out the possibility in due course of having a referendum on the issue that my hon. Friend cares about.

Mr. Grieve: May I take the Secretary of State back to his reference to the Jenkins commission? On 2 June 1998, he said:

> "The Liberal Democrats and Labour agreed that the only fair way to put a choice to the British people was to give them a choice between two equals: between the first-past-the-post system—it would be absurd to suggest leaving it out—and another system carefully worked out by a relatively independent body."—[*Official Report*, 2 June 1998; Vol. 313, c. 188.]

Where is the relatively independent body in these proposals?

Mr. Straw: I have already explained that the truth about the Jenkins proposals—it became clear as people digested them—is that there was no consensus coalition at all in respect of them. The hon. and learned Gentleman has been the Justice spokesman for his party for close to 18 months now, and never once has he suggested that there should be a referendum on the Jenkins proposals.

David Howarth (Cambridge) (LD): May I take the Secretary of State back to his statement about single-Member representation? Is he proposing to abolish multi-member wards in local government?

Mr. Straw: No, I am not. With great respect, the considerations that apply in local elections are different from those that apply to the dynamics of this House.

Several hon. Members *rose—*

Mr. Straw: I give way to the hon. Member for Shrewsbury and Atcham (Daniel Kawczynski).

Daniel Kawczynski (Shrewsbury and Atcham) (Con): Just a few short weeks ago in a Westminster Hall debate on proportional representation, the Minister of State, Ministry of Justice, the right hon. Member for North Swindon (Mr. Wills) gave me an assurance that this issue would not be debated in the House during this Session. May I ask what has happened since to make that promise no longer applicable? *[Interruption.]*

Mr. Straw: Well, my right hon. Friend says that he did not give that assurance and I am sure that the hon. Gentleman will have the opportunity to raise the matter again in his speech.

Mr. Tom Harris (Glasgow, South) (Lab): My right hon. Friend will be aware of the recommendations of the Gould report, produced after the debacle of the May 2007 Scottish parliamentary elections, which were held on the same day as the local council elections. He will know that the strong recommendation made in that report was that two elections using different systems should not be held on the same day. Does he accept that if we move towards the AV system for the elections to this House, we can never again hold a general election on the same day as local authority elections?

Mr. Straw: I am afraid that I do not. I remember the Gould report and the circumstances that led up to it. I thought it made some important recommendations, but I do not believe that the fundamental problem that the Scottish system faced at that time was conducting two different elections on the same day. Within the whole of the UK, we regularly have two sets of elections using different systems. For example, European and local elections often take place on the same day and provided that those systems are properly explained to voters—this was the problem in Scotland when there were two sets of ballots on the same ballot paper—I believe that it is perfectly satisfactory to go ahead on the same day.

Several hon. Members *rose—*

Mr. Straw: I give way to the hon. Member for Eastleigh (Chris Huhne), but then I want to make some progress.

Chris Huhne (Eastleigh) (LD): The Secretary of State will be aware that the Irish system proposed by the Liberal Democrats would deliver an overall majority on about 45 per cent. of the vote, as it has on many occasions in the Republic of Ireland since 1921. What share of the vote would he be prepared to regard as too low, either under first past the post or under the alternative vote when it came to first preferences? What percentage would mean that the Government were no longer legitimate—35, or even less?

Mr. Straw: The fundamental problem that affects all voting systems is the fact that there is no way, mathematically, of translating votes cast and seats gained into power obtained.

I listened carefully to what the hon. Gentleman said on the radio this morning about the merits of the Irish system. I have two comments. First, the Irish constituencies, per Member, are significantly smaller than ours. There are 21,000 electors per Member of the Dáil. Secondly, the hon. Gentleman seemed to be suggesting that the Irish system had avoided any scandals. Anyone with any knowledge of what has gone on in Ireland recently will recognise that we cannot really compete with the Irish when it comes to the continuation of scandals.

Several hon. Members *rose—*

Mr. Straw: I will give way to the right hon. Member for Wokingham (Mr. Redwood), but then I must make progress.

Mr. John Redwood (Wokingham) (Con): I agree with the Secretary of State about single-Member constituencies. As he wants change, however, he presumably thinks that Members here who did not secure 50 per cent. of the vote might have been better replaced by others. According to his research, how much would a Parliament elected under the proposed system differ from one elected under first past the post?

Mr. Straw: I know that Conservative Members have suggested that earlier elections could have produced this or that result. The answer to the right hon. Gentleman's question is that we should make this change—or, rather, put the opportunity for change before the British people, for it is not we who are making the change—as a matter of principle. It will be for the British people, in whom I suggest Conservative Members have a bit of faith, to listen to the argument over a 20-month period, and to listen particularly intensely during the last six months of a campaign. They will be able to make their own judgments in the privacy of the ballot box. They will reach their own conclusions.

Several hon. Members *rose—*

Mr. Straw: I will give way in a moment, but I want to make some progress first. I have already given way a great deal.

I suggest that the case for making the change is to do with the fact that we have moved from a two-party arrangement in the House—which is what obtained, unusually in British politics, between 1945 and 1970—to the three or four-party system that has much more often been the default setting of British politics. The question of whether there should be a change is nothing new—as I shall make clear, it has been debated on a number of occasions—but of course some hon. Members will ask why we need to make the change now. The answer is that in the past 12 months, as everyone knows—it has affected hon. Members in all parts of the House in the same way—we have seen a crisis of confidence in our political system and our politicians on a scale that none of us has witnessed before in our political lifetime. Trust has been profoundly damaged. [HON. MEMBERS: "That has nothing to do with it."] It has everything to do with it.

[Mr. Straw]

Immediate action has already been taken to clear up the expenses system, with the passage of the Parliamentary Standards Act 2009 and with the clauses in this Bill to strengthen the new regime already approved by the House. We will shortly debate the recommendations of the Wright Committee on improvements to the way in which the House operates. Those are important initiatives, which show that we mean to put our own house in order in due course, but all of us here must do all that we can to restore trust in politics, and it is axiomatic that part of that process must involve consideration of which electoral system can best serve the people of this country and asking them to make a decision. Our response is to put in place a credible alternative that would go with the grain of what the British people value in our system, and allow them to express their clear view in a referendum.

Sensible constitutional change should enhance the effectiveness and legitimacy of our institutions, not undermine them. I suggest, and I will suggest to the British people if these new clauses are passed, that adopting the alternative vote system would achieve that. The alternative vote system builds on the strengths of our current system: direct accountability for individual Members, and the chance for voters to select or eject Governments. I believe that it would help to rebuild the trust and connection between electors and their representatives that is vital to restoring politics.

Mr. Tom Harris: Does my right hon. Friend attribute the stainless reputation of Italian politicians to the fact that the Italians have proportional representation?

Mr. Straw: I have never argued in favour of proportional representation—and this is not proportional representation—and I have certainly never argued in favour of the Italian system.

Sir Peter Tapsell (Louth and Horncastle) (Con): Will the Secretary of State give way?

Mr. Straw: I will in a moment. I have already taken one intervention from the hon. Gentleman.

Sir Peter Tapsell: The Secretary of State would not answer the question that I asked then.

Mr. Straw: I did answer it, and I will answer it again. The answer is that, even under an alternative vote system, if there are only two candidates there will be no need for eliminating ballots. But, as I pointed out, the system that the Conservative party uses is a system of eliminating ballots. It is not first past the post.

Sir Peter Tapsell *rose—*

Mr. Straw: I have now answered the hon. Gentleman's question.

Sir Peter Tapsell *rose—*

Mr. Straw: By allowing the public to express— *[Interruption.]*

The Chairman: Order. The Secretary of State's appetite for debating and responding to interjections is legendary, but we are reaching a stage at which it is perhaps disrupting progress, and I am anxious to make the debate as inclusive as it can possibly be. I simply suggest that Members on both sides of the Committee should bear that in mind if we are to make progress and allow other voices to be heard.

Mr. Straw: Thank you, Sir Alan. I will make a little progress now, but I will take more interventions later.

I suggest that, by allowing the public to express a range of preferences, the alternative vote would increase the electorate's stake in their representatives, encouraging candidates to appeal to the whole electorate. Under AV, MPs would, by definition, have to receive 50 per cent. plus one from those voting and exercising their preferences. That could only be good for the legitimacy of Members and for the House as a whole.

Graham Stringer (Manchester, Blackley) (Lab): Will the Secretary of State give way?

Mr. Straw: I will in a second.

Between 1945 and 1970, the Labour and Conservative parties shared over 85 per cent. of the votes cast. For the three elections between 1951 and 1959 the share was over 90 per cent., and the share of the third party was less than 6 per cent. However, as I have said, that period was atypical of British politics in the 20th and 21st centuries. Every contest now involves at least three candidates; in Scotland and Northern Ireland there are at least four, and, given the involvement of newer parties, often more. It is telling that at the last election, in 2005, only about a third of MPs won 50 per cent. or more of the votes cast in their constituencies.

It may be suggested that this is a sudden idea, but that is untrue. The proposals for the alternative vote have been debated in the House and the other place for exactly 100 years.

Graham Stringer: Will the Secretary of State give way?

Mr. Straw: I will in a second.

It was 100 years ago this year that a royal commission unanimously recommended the adoption of the alternative vote. However, the recommendation became caught up in the constitutional crisis when the unelected Conservative majority in the House of Lords decided to disrupt Lloyd George's excellent "People's Budget".

It has been said that we should not spend a one-off £80 million at a time of economic crisis. However, the country faced a profound existential crisis in 1917 when the first world war was going badly. At that time the Government sensibly decided that they needed to look to the future, and recommended a change in the system through a Speaker's Conference—which, I remind the Committee, Winston Churchill supported as a Liberal. As a consequence of those proposals, the alternative vote was put before the House. *[Interruption.]* A Conservative Member mentions the Speaker's Conference, but what it recommended was different from what the House decided, and, in the end, it is the House that decides. Again, however, thanks to the built-in Conservative majority in the other place, this House's decision to go

for the alternative vote was overturned, and instead the other place went not for first past the post, but for a system of proportional representation, and as a result the Bill fell.

6 pm

Graham Stringer: Can my right hon. Friend not see that there is a flaw in his argument when he compares national elections with the electoral system within parties, where we decide on our candidates and leaders in such a way as to choose the least unpopular, rather than the most popular? Under the alternative vote system in national elections, it is likely that there would have been even more Conservative MPs after the 1983 general election and more Labour MPs after 1997. How is that fair, and how is that going to raise confidence among the electorate?

Mr. Straw: I would make two points in response to that. First, these so-called extrapolations cannot take into account how voter behaviour would change under a different system, but I profoundly believe it would do so—that must be the case. The late, excellent, noble Lord Alexander of Weedon made a good point in his dissenting note to the 1999 Jenkins report about what happened in '83 and '97. I have never believed that voters would react in the way that was proposed, however. Moreover, what we are debating now is not whether the House should decide on the alternative vote, but simply whether we give the British people an opportunity to have a debate about the matter.

My second point is about my hon. Friend's statement that there is a difference between elections of party leaders and elections of MPs. I do not accept what he says on that. The reason all major parties have an eliminating ballot system is so that the person who is elected leader has legitimacy and a broad consensus of support. I suggest, particularly to those of us who profoundly believe in single-Member constituencies, that that is of even more importance in constituencies than it is for party leaders.

Mr. William Cash (Stone) (Con): Given that the objective of a general election is to determine a Parliament and a Government, does the right hon. Gentleman not accept that merely to get a 50 per cent. majority for each individual constituency does not result in a party having 50 per cent. of the seats in Parliament, and therefore we do not get the 50 per cent. majority implicit in the principles he is putting forward on behalf of the idea of individual MPs for individual constituencies?

Mr. Straw: I usually follow the hon. Gentleman's argument but disagree with him. On this occasion, I am afraid I do not follow him, so I do not know whether I agree with him or not.

Mr. Kevin Barron (Rother Valley) (Lab): I think that AV would be fairer. Did my right hon. Friend hear the hon. Member for Eastleigh (Chris Huhne) say on the radio this morning and "Newsnight" last night that seats such as mine that have been represented by Members of the same political party for decades—that has been the case in my constituency since the first world war, not the second—are more likely to be involved in the expenses scandal? When I came to the House this morning, I checked on that, and I have to say that more than 30 per cent. of Liberal Democrat MPs have had to pay money back because of the Legg report. Has my right hon. Friend conducted any investigations into whether there is a causal link between seats such as mine and people claiming money they should not have?

Mr. Straw: Without being tempted down that path, I say to my right hon. Friend that I, too, felt rather gypped when I heard the hon. Member for Eastleigh suggesting that, somehow, those of us who are Members for seats that the same party has represented for the past 60 years are less worthy than those who represent more marginal seats. There is a reason why my constituency has been Labour since 1945. It is not because it is a "safe seat"; it is because there have been two successive Members of Parliament, of which I have the privilege to be one, who have sought to place the interests of their constituents first and above all else. That is also true of Members of other parties, of course.

Mr. Michael Howard (Folkestone and Hythe) (Con) *rose—*

Mr. Straw: I shall give way to the right hon. and learned Gentleman, and then I will make some serious progress.

Mr. Howard: I am most grateful to the Lord Chancellor for giving way. Since he has now mentioned his constituents and the right hon. Member for Rother Valley (Mr. Barron) has mentioned the expenses scandal, can he tell us how many people who were gathered around his soap box in Blackburn on the last occasion that he was on it told him that the answer to the expenses scandal was the introduction of the alternative vote?

Mr. Straw: I am holding a soap box session this Saturday in Blackburn town centre, and I invite the right hon. and learned Gentleman to come along and ask me a question. The serious answer, however, is that very few constituents have articulated proposals for dealing with the problem of trust in politics—those proposals include the setting up of the parliamentary standards authority and the Wright Committee recommendations. People sense, however, that we need to make changes. They sense the need for greater legitimacy in our system. Above all, they want a greater and more immediate say on the system, and that is what the measure being discussed would provide.

Several hon. Members *rose—*

Mr. Straw: I have taken a lot of interventions, and I am now going to make some progress.

I am sure that we will hear of Winston Churchill's dismissal of the alternative vote in the Third Reading debate on the Representation of the People (No.2) Bill in June 1931. That was the third attempt in 21 years to get a change in that regard, but each of them was thwarted not by this House, but by the Conservative majority in the unelected House of Lords. Churchill said that a decision under AV

"is to be determined by the most worthless votes given for the most worthless candidates."—[*Official Report*, 2 June 1931; Vol. 253, c. 106.]

[Mr. Straw]

However, those who pray Churchill in aid need to be careful. First, as ever with Winston Churchill, he changed his mind more than once—and he supported AV in 1917. Secondly, his first preference was not for first past the post, but for proportional representation, and his "next best method" was "the second ballot", which is simply a longer, more expensive form of AV.

Let me turn to a point raised by the hon. Members for Cambridge (David Howarth) and for Eastleigh. I do not dismiss the case for PR out of hand, and I know that it has some adherents on the Labour Benches. Where elections are to a body that has a representative, not an Executive, function, I have always accepted that the case for PR is much stronger. The truth is that every system has its advantages and disadvantages, but we are of the firm view that a majoritarian system is right for the Commons.

Let me now deal with the specific question of why we propose a referendum. As I have said, this is a matter of trust. Over most of the past 13 years, I have been the Secretary of State with responsibility for coming to the House with various pieces of constitutional change. Some of them have been controversial at the beginning, but on every occasion I and the Government have sought to reach a consensus across the Floor of the House, as we did in respect of the Human Rights Act 1998, the Freedom of Information Act 2000, and the provisions on party funding in 2000 and 2009, and also in respect of devolution, when the proposals were put to a referendum. I believe it is essential that changes to our electoral system—big changes, such as to the number of MPs, which I shall come on to—must be the subject of some kind of cross-party endorsement or referendum, and cannot be seen as partisan tools in the hands of an individual party.

Mr. Edward Leigh (Gainsborough) (Con): Will the right hon. Gentleman give way?

Mr. Straw: No, I am going to make some progress.

That is how we have approached these matters in the past. Between 1997 and 2005, we could have used our huge majorities as a battering ram to disable the Conservative Opposition, but we never did so, because of the care that we, and the Liberal Democrats, have for the way our constitution operates. I must also say that the Conservatives would be willing to take part in that approach. However, let us compare what we propose, which is to ask the British people whether they wish to change the electoral system, with the Conservative party's alternative for restoring trust, which is for a 10 per cent. cut in the number of Members of Parliament, without testing the will of the people in a referendum or any effort being made—

Mr. Grieve: Will the Secretary of State give way?

Mr. Straw: No, I am going to make progress. The hon. and learned Gentleman has a speech to make, too. The Conservatives will not make any effort to seek any kind of cross-party consensus.

Cutting 65 to 80 seats by crudely equalising registered voters across constituencies would unjustifiably reduce the number of seats in urban areas when we already know, according to the Electoral Commission's independent estimate, that most of the 3 million people who are eligible to vote but who are not registered are to be found in our inner urban areas—*[Interruption.]* It certainly would be gerrymandering. It would disadvantage Scotland, Wales and Northern Ireland. It would hit every island community. Orkney and Shetland would be amalgamated with a large part of the highlands. The Isle of Wight would be amalgamated with a large part of Hampshire—*[Interruption.]* Oh yes, it would.

It might assist the Committee if I set out the views of the Electoral Reform Society, which states:

> "Conservative proposals mean that most constituencies will pay less regard to what most voters think of as community and natural boundaries, and change more frequently, destabilising the link between MPs and constituents."

It went on to say that the

"United States"—

the Conservatives have obviously picked this idea up from the United States—

> "has rigorous requirements for arithmetical equality of population in congressional districts, but the worst gerrymandering in the developed world. Equal sized constituencies cannot produce fair votes by themselves"—

Mr. Grieve *rose—*

Mr. Straw: I shall not give way. The hon. and learned Gentleman has his own speech to make in a moment.

Mr. Grieve: Disgraceful.

Mr. Straw: I have given way to the hon. and learned Gentleman three times.

The Conservative proposals are in stark contrast with the Government's proposals. We are seeking to legislate for a referendum to give the people a say. The Opposition's aim is to butcher scores of constituencies for sordid political ends, without recourse to any independent review or opportunity for public comment. As a friend of the Conservative party and somebody who has always been concerned about its health, I offer the following thought. It plans if elected—a receding prospect—to make this change within 18 months and with no proper consultation. Once it has made the change, guess what will happen? The majority of Conservatives in government would not be fighting the Opposition; they would be fighting each other—

Mr. Grieve: That gives the lie to it.

Mr. Straw: So, that gives the lie to what I have just said? What it tells us is that this policy is as well thought through as the poll tax was—a good idea at the time, written on the back—

Mr. Grieve *rose—*

Mr. Straw: The hon. and learned Gentleman wants to ask about the poll tax, so I will give way.

Mr. Grieve: The Secretary of State cannot have it both ways. He cannot, on the one hand, rightly highlight the fact that the pain of the change would be shared equally across both sides of the House and then, on the other hand, say that it has been put forward for party political advantage. May I gently point out to him that the United States has gerrymandering because the votes and the selection of the constituencies and their sizes are determined by the legislatures without intervention

from any independent boundary commission? As this decision will be in the hands of the boundary commissioners, I hope that the Secretary of State will now withdraw that ludicrous allegation.

Mr. Straw: I do not withdraw that allegation, because it happens to have the merit of being true. What is more, as the hon. and learned Gentleman knows, the proposal would disproportionately hit urban areas, where there are fewer Conservative Members—although there are still some—and more Labour and Liberal Democrat Members, because of the under-representation on the electoral register of millions of voters in those areas. The hon. and learned Gentleman also fails to take account of the need for natural communities to be represented in the House.

Another point makes the Conservative proposal completely bogus. There is a suggestion that the size of this House has somehow increased exponentially. That is not true. The size of this House has increased by 3 per cent.—21 Members—since 1950. The size of our constituencies has increased by 25 per cent. over that period. The work load from constituencies of Members of Parliament, even in the time that I have been in the House, has dramatically increased. The consequence of the Conservative proposals would be to gerrymander boundaries, detach Members of Parliament from their constituencies and, where Members of Parliament exist, add considerably to their work load. That can only mean that the level of service to constituents would be less good, at a time when we should be increasing it.

Let me briefly run through the amendments and new clauses. Amendment 136 provides for a number of provisions in the Bill to come into force when it receives Royal Assent. New clause 88 makes provision for the date of the referendum and the detail of the question to be set by secondary legislation after consultation with the Electoral Commission, defines the alternative vote system that would be the subject of the referendum and defines that it will be a binary choice. New clause 89 defines the franchise, new clause 90 defines the referendum period, new clause 91 relates to the role of the Electoral Commission, new clause 92 provides for funds to be made available, new clause 93 provides a mechanism for settling accounts for expenditure, new clause 94 relates to challenges to the referendum result and new clauses 95 and 96 make minor amendments to the Political Parties, Elections and Referendums Act 2000. Amendment 137 amends the long title of the Bill. Let me remind the House that the 2000 Act contains detailed regulation to ensure fair play, including fair money, for both sides of a referendum campaign. This is an important debate. Its subject is a fundamental plank of our democracy and it comes at a time when this House is held in dangerously low regard. The Government have tabled these new clauses after considerable study and consideration.

6.15 pm

The debate about AV has been going on for 100 years. The alternative vote takes on the considerable strengths of our system and, I suggest, builds on them. We propose a referendum, however, because we believe that it is not for us to make the final decision. It is important that the people should have that choice in a referendum. If the Conservative Opposition feel so strongly about the merits of first past the post, why do they not have the courage of their convictions? They should back the proposals and allow the people in their constituencies, as well as those in every other constituency across the country, to make that choice—a mature and balanced choice—after detailed debate some time before October 2011. That is what we propose and that is what I believe should be supported. I commend the new clauses to the House.

Mr. Grieve: I am truly sorry to see the Secretary of State being obliged to be associated with this guff.

The best starting point would be for the Secretary of State to take a short absence from the Chamber to look at the excellent blog site run by his son, Will Straw, on which there has been extensive polling in left-of-centre areas of radicalism about these proposals. No more than 20 per cent., he has concluded, support the alternative vote proposed by the Government and 29 per cent. want no referendum at all. Perhaps we should not be surprised to learn, particularly from a left-of-centre blog, that the vast majority of the remainder want such disparate things that it is impossible to assess what they desire. I think that the Secretary of State would have done rather well to have considered that blog first.

The Government have tabled new clause 88 at this late stage of the proceedings—indeed, at this late stage of the life of new Labour—following the Prime Minister's belated conversion to the cause of electoral reform, which he has so successfully and personally obstructed for more than a decade. For the benefit of Liberal Democrat Members, I think that it is worth recapping the history of new Labour's conversion to the cause of electoral reform.

In 1990, Labour set up the Plant commission, which recommended something that was basically the alternative vote. What was the view of the Prime Minister? He said that it was "defeatism" and attacked

"those who say Labour cannot win and who seek refuge from Labour's mission ahead as a crusade for change in the technicalities of electoral manoeuvring and horse-trading".

How the mighty are fallen.

In 1997, the Government were elected on a clear manifesto promise of a referendum on electoral reform. We all know that it was a device—we know what happens when the Prime Minister promises a referendum. The Government got Lord Jenkins to devise an alternative voting system. Let us remember what Lord Jenkins thought of AV, which the Liberal Democrats will support, I assume, if they cannot get their amendment through. He said that it is "even less proportional" than the first-past-the-post system, "disturbingly unpredictable", and "unfair" to the Conservative party—not that that has ever affected Liberal Democrat and Labour thinking very much. He proposed the proportional system, AV-plus, which he thought fairer. What happened to the promise of a referendum? At that point, the Government's commitment to it completely faded away.

Mr. Leigh: May we purse the point that the Justice Secretary made about whether voters would have changed their behaviour in 1983 so that there would not have been an even more disproportionate result? If my hon. and learned Friend's constituents in Beaconsfield had been voting under AV, how could they have worked out how to vote to avoid having a bigger Conservative majority in 1983 or a bigger Labour majority in 1997? I do not quite understand what the Justice Secretary is going on about.

Mr. Grieve: I am extremely uncertain what the Justice Secretary is going on about. My view, particularly in the light of his remarks about the state into which the House has fallen, is that the electorate want the opportunity to express their views, and that if they happen to have a very adverse view of a Member of Parliament, they will want that Member to be removed. The last thing that they want is a situation in which the person against whom they have an adverse view comes second, but then magically comes first when the alternative votes are transferred.

Mr. John Gummer (Suffolk, Coastal) (Con): Does my hon. and learned Friend remember that the assessment of what would have happened in 1983 and 1997 was not a party political assessment, but a cold, academic assessment? It said that the results in both cases would have been much less proportionate than what happened under the first-past-the-post system and would have meant substantial over-representation.

Mr. Grieve: I agree entirely with my right hon. Friend and I apologise if I did not do justice to the point that my hon. Friend the Member for Gainsborough (Mr. Leigh) made when I replied to his intervention. I accept entirely that the research that has been carried out on this matter shows clearly, as I have illustrated in terms of the electorate's will, that the system skews the results of elections in a way that is manifestly unfair.

David Howarth: I thank the hon. and learned Gentleman for giving way because he has just given away my party's whole case, which is that proportionality and fairness are the same thing. If he does not believe that, why does he care about the point that the hon. Member for Gainsborough (Mr. Leigh) made?

Mr. Grieve: I believe in the first-past-the-post system and that the Secretary of State, in terms of his adherence to the alternative vote, does too. That is what distinguishes my party from the Liberal Democrats, who have been clamouring for proportional representation for a long time because that is the only way in which they might wield any influence.

Several hon. Members *rose—*

Mr. Grieve: Let me make some progress. I fully understand the hon. Gentleman's point, but I believe that the first-past-the-post system delivers clear, clean results. That is why my party has consistently adhered to that system, whether it has been to the party's advantage or disadvantage to do so. That is more than can be said for the Government, as is clear from the inconsistencies in the way they are operating.

Mr. Robert Syms (Poole) (Con): I remember the last time that the Justice Secretary came before the House to change an electoral system. That was some years ago, when we changed to the list system for European elections. I remember clearly the argument about changing behaviour, which was that turnout would go up when we got rid of the first-past-the-post system. In fact, the opposite happened, so changed behaviour can be bad rather than good.

Mr. Grieve: My hon. Friend is quite right. The list system has effectively destroyed European elections for all practical purposes in the minds of the electorate, and is one of the great disasters that we have visited upon the country. That is reflected in low turnouts and the contempt that people feel about what is now a sort of Buggins' turn system that is dictated by the political parties.

Chris Huhne: While the hon. and learned Gentleman is extolling the virtues of the first-past-the-post system, will he answer the question that the Justice Secretary refused to answer? How low would the Government's share of the vote have to be for the hon. and learned Gentleman to regard the system as illegitimate? Would it have to be lower than 35 per cent., which is what the Government had?

Mr. Grieve: It seems to me that it is a legitimate system whatever the percentage, because the electorate are asked a perfectly straightforward question—who do they wish to represent them? It gives the majority view on a single person. I am sorry that the hon. Gentleman cannot see that. The system is straightforward, simple and requires people to make sensible choices about who is likely to be elected and who they might therefore wish to support. For those reasons, I think that the system is extremely clear and commands widespread support.

In my constituency—I make this point also in the context of the Liberal Democrats—I get very few representations about changing the electoral system. I suspect that the same is true for many hon. Members. The more that people study proportional representation systems, including purist systems such as that in Israel, the more they must conclude that such systems saddle countries with impossible legislatures, that no proper governance can be carried out under them and that they bring inertia. For those reasons, PR does not commend itself to me.

Mr. Pelling: Will the hon. and learned Gentleman give way?

Mr. Grieve: In a moment. Let me make a tiny bit more progress.

I was just pointing out that when the first great reform went into the sands, it was the leader of the Liberal Democrats who pointed out that it was the then Chancellor, the current Prime Minister, who blocked it. The current Home Secretary has said that Labour

"lost the will to carry it through...when narrow party political advantage dominated our internal debate in the Labour Party."

I fear that the Justice Secretary is moving towards that position again, because the only conclusion that one can reach from the incoherent proposals before us is that they are seen to have a narrow party political advantage for the Government. Many Government Back Benchers, however, can see that the proposals are seriously flawed.

Martin Linton (Battersea) (Lab): Surely, if there was a bias in the elections that have been mentioned, it was not in the voting system but in the second preferences of Liberal Democrat voters. The answer to that for the hon. and learned Gentleman must be to broaden his party's appeal and not to deny voters a choice.

Hon. Members: Voters have a choice.

Mr. Grieve: I agree that voters have a choice. Frankly, I am singularly unconcerned about the Liberal Democrats' preferences or tendencies, or about where they will go for a second vote. I am by no means persuaded that the

hon. Member for Battersea (Martin Linton) is right. The evidence from my constituency is that it is most improbable that Liberal Democrat voters would exercise a second preference vote in favour of a Labour candidate, but things might be different in other places.

Bob Spink: Will the hon. and learned Gentleman give way on that point?

Mr. Grieve: In a moment.

When the Prime Minister took office in 2007, he promised to publish a review. In 2005, Labour announced that it was conducting a review, and in 2007 he said that he was going to publish it. This is a key issue because he did not make any attempt to hide the fact that the report had already been written. In fact, it was effectively locked in the Justice Secretary's bottom drawer. There was a problem with the 2005 review because even though its terms of reference were to look at the voting systems that were used, someone, in conducting the review for the Labour party, seemed to have asked the team to look at the alternative vote as well. The conclusion that the review came to was that the AV was capable of producing even more disproportionate outcomes nationally than the first-past-the-post system.

Mr. Redwood: What is fair about a system that means that those who vote for the first or second-most popular parties only get to vote once whereas those who vote for the third or fourth-most popular parties get to vote twice? Why should they get to vote twice if the rest of us are not able to?

Mr. Grieve: I agree entirely with my right hon. Friend. I was not going to quote Churchill, but it seems to me that that is a problem that he correctly identified in 1931—the disproportionate weighting that the system would give to the views of those who are idiotic or ridiculous.

Mr. Jeremy Browne (Taunton) (LD): Will the hon. and learned Gentleman give way?

Mr. Grieve: In a moment.

The Minister of State, Ministry of Justice (Mr. Michael Wills): On that point, given what the hon. and learned Gentleman has just said, what is his position on the Conservative party's system for electing its leaders?

Mr. Grieve: I thought that we had sorted this out in interventions on the Secretary of State. We are talking there about electing a single person to an office, not about electing a Parliament. In any event, it is not an alternative vote system, as only two people go to the electorate. The electorate do not have a choice between more than two candidates in the first place.

Chris Huhne: Will the hon. and learned Gentleman give way?

Mr. Grieve: In a moment. [HON. MEMBERS: "Frit!"] I am sure that there is a desire to interrupt an account of what happened in 2007, because it highlights the full extent to which the Government cut the ground from under their own arguments.

6.30 pm

In January 2008, the Secretary of State published his review, from which the section on the alternative vote system had mysteriously and conveniently disappeared. However, anyone who bothered to read the detail would see that the review provides a snapshot of what would have happened at the 2005 general election, had it been run under a variety of voting systems. Helpfully for the Prime Minister, on page 130 it also provides a useful ready reckoner. It considers in depth the d'Hondt method, the least-squares proportionality system and Arrow's paradox, but what was plumped for was the only system that would have given Labour even more seats than first past the post at the 2005 election. I might add that the same system was the only one that would have given the Conservative party fewer seats than in 2005—even though, in England, we gained a majority of the votes cast.

Mr. Donohoe: Will the hon. and learned Gentleman address the anomalies north of the border, where there are four different voting systems? Is it Tory policy to have only one there—the first-past-the-post system?

Mr. Grieve: From the many debates that we have had on Scotland, the hon. Gentleman knows that we are respecters of the devolution settlement. I am happy to debate reform of the first-past-the-post system there, and indeed the Secretary of State has tried to debate that too, but our respect for devolution means that, notwithstanding our support for reform, we would not impose a new system. That is something that must be determined by the Scottish Government and electorate.

However, I do share the view of the hon. Member for Central Ayrshire (Mr. Donohoe) in one respect. When I visit Scotland, the people to whom I speak are not, on the whole, Conservative party supporters. My experience is that there seems to be a great deal of dissatisfaction with the electoral system that has been foisted on the Scottish electorate, who appear to be deeply unhappy with it. For those reasons, I believe that the Scottish system is something that the House ought to heed, as it does not offer a good reason why we should go down the same road.

Chris Huhne: On that point, will the hon. and learned Gentleman say whether he regards the Conservative party's Scottish representation in Westminster as fair?

Mr. Grieve: Yes, it is fair. I have no difficulty with the first-past-the-post system for Westminster elections, as I have made clear. The fact that my party in Scotland has very poor representation in Scotland is a challenge that we must do something about. If we cannot, we will continue to have very poor levels of representation—simple as that.

Mr. Pelling Will the hon. and learned Gentleman give way?

Bob Spink Will the hon. and learned Gentleman give way?

Mr. Grieve: No.

Mr. Wills: Before the hon. and learned Gentleman moves on, he has made great play of the review of voting systems. I have the document here—

Mr. Grieve: I do not.

Mr. Wills: Then he should not quote from documents with which he is not familiar. In the introduction to the scenario to which he has just referred it states:

"A large number of assumptions have to be made".

That is precisely the point that my right hon. Friend the Secretary of State made. Does the hon. and learned Gentleman accept that we cannot be so arrogant as to presume how voters will vote under a new system that is different from what has been in place in the past?

Mr. Grieve: I understood the Secretary of State to say that he assumed that people would vote differently. That is another piling-on of assumptions, and I do not think that this House should legislate on the basis of such assumptions. All I can do is point out what the report says, including the fact that it makes it clear that the alternative vote system would have delivered more seats than the first-past-the-post system for Labour in 2005, even though it only gained 36 per cent. of the popular vote. That seems to me to be a very poor starting-point for change in that direction.

Mr. Gummer: Does my hon. and learned Friend agree that it is very difficult to decide how people would have voted in any past election? However, is it not sensible to try to take the best estimate of that, rather than one that comes out of the air? The document makes it clear that, of all possible systems, the alternative vote system would have been more unfair than first past the post on every occasion.

Mr. Grieve: Yes, I agree entirely with my right hon. Friend. I presume that the Minister of State was speaking on behalf of the Government, so it is astonishing that he should rise to his feet and say—suddenly and almost ex improviso—that the Committee should not follow that series of assumptions. We have to make a judgment, on the basis of what the evidence suggests.

Mr. John Hayes (South Holland and The Deepings) (Con): Does my hon. and learned Gentleman agree that the Secretary of State once understood that himself? The unfairness described by my right hon. Friend the Member for Suffolk, Coastal (Mr. Gummer) has to do with proportionality. When the previous Labour Prime Minister flirted with these matters, the Secretary of State said that first past the post, and similar systems, give

"power to the largest plurality and so help secure a system where the proportionality, not between votes and seats, but between votes and power, may be the greater."—[*Official Report*, 25 November 1997; Vol. 301, c. 804.]

I wonder why he changed his mind about that.

Mr. Grieve: I have a soft spot for the Secretary of State, and I have to tell my hon. Friend that I wonder whether he really has changed his mind. The way that the new clause has been introduced, the length of time that it took to germinate, the internal debates that clearly took place at parliamentary Labour party meetings and the sounds that one could hear coming out of the Room where they took place—all of that rather strongly suggests that the Secretary of State was fighting a rearguard action against a Prime Minister who was both losing the plot and taking leave of his political senses in a desperate bid to stay in office.

Sir Patrick Cormack: Is not the greatest absurdity of all the fact that the Secretary of State knows full well that there is no chance of this Bill becoming law? There is no time for Parliament to pass the legislation before the general election, so are we not merely going through a ridiculous charade?

Mr. Grieve: My hon. Friend makes a very good point. There is something somewhat unreal about this, and I shall return in a moment to considering why the Government have acted as they have.

Mr. Redwood: Labour and Liberal Democrat representatives seem keen to say that we use the alternative vote system for our internal party elections, but we do not. The system used for our leadership election is the progressive rounds model, under which one candidate drops out at each stage, with everyone being given a vote on the remaining candidates. That could not conceivably be adopted for general elections, as having six or seven candidates at the start would mean that the election would take about three months. The electorate would get bored, and the costs would be massive.

Mr. Grieve: I agree entirely with my right hon. Friend, but this is not the first time that we have had surreal proposals from Labour Members.

I want to return to what has happened recently. Last week, after 13 years in power, only weeks away from a general election and with the Secretary of State's party behind in the polls, the Prime Minister decides that he is going to break yet another promise. Whereas he previously said that he would put a commitment to a referendum on AV to the people at a general election, and notwithstanding his party's internal debates, he is now going to introduce the system in this Bill.

It is very difficult to take seriously a person who is dithering around for what is clearly nothing more than the shortest-term possible political advantage. Why did the Justice Secretary go along with this? Did the Welsh Secretary twist his arm? Did the Secretary of State for Culture, Media and Sport pull rank on him? I find it incomprehensible why somebody with the common sense of the Secretary of State would decide to go down that road, and I feel truly sorry for him.

Bob Spink: Will the hon. and learned Gentleman give way?

Mr. Grieve: No, I really must make progress.

The Liberal Democrats have tabled amendment (d) to give the public a choice on the proportional representation system that the Liberal Democrats have long and consistently campaigned for. As I said a moment ago, that system would lead to weak, unstable government, to minority parties holding the balance of power on a tiny fraction of the vote, and to extensive parliamentary representation for madmen and extremists. The Liberal Democrats have supported PR for a very long time, but I long ago realised that in matters of rationality the Liberal Democrats do not surface very much.

This is the issue: amendment (d) will be put to the vote later and defeated. I forgive myself for turning to a role of prophecy, but I think that I can say with some certainty that the amendment is going absolutely nowhere. What then are those hon. Gentlemen from the Liberal Democrats going to do? How on earth are they going to

justify voting for a system that is less proportionate than first past the post? I heard the hon. Member for Eastleigh (Chris Huhne), their Home Affairs spokesman, say earlier today that they would support the alternative vote system in the referendum because it represented "baby steps" towards proportional representation. It is no wonder the Prime Minister thinks that the Liberal Democrats were born yesterday.

Time after time, the Liberal Democrats are succoured by broken promises of electoral reform, but there may be another reason for their support. Again, if we turn to the ready-reckoner in the Ministry's review, which the Minister has, we find that, although the alternative vote system is less proportionate overall, it would significantly benefit just one other political party apart from Labour. [HON. MEMBERS: "Who?"] It would benefit—surprisingly—the Liberal Democrats, giving them more seats. So they must think that we were born yesterday if they think that we are going to support such a proposal.

Mr. Jeremy Browne: The hon. and learned Gentleman has spent his entire speech arguing for the merits of a system that is disproportionate and gives one-party government, and arguing against AV because it is more disproportionate than first past the post. Should he not have spent more time preparing his speech?

Mr. Grieve: There is no perfect system, although I am bound to say—*[Interruption.]* No, there is not: there is no perfect system, and I defy the Liberal Democrats to argue that there is. I do not put it past them to try to run such an argument, which I look forward to, but I am singularly unconvinced by it. First past the post delivers clarity; it is well established in this country; and it enables electorates to get rid of Members whom they do not want and express a clear choice. The alternative vote system, with which the Liberal Democrats are being seduced, skews the result towards far greater unfairness than anything that first past the post could ever achieve.

Chris Huhne: The hon. and learned Gentleman says that the existing system allows people to get rid of MPs whom they do not like, but they can do so only if they are prepared to change their party allegiance. Many people are not prepared to do so, and only the Irish system—the single transferable vote system—allows people to choose the party and the person. Indeed, one third of people who lose their seats in the Irish system lose it to members of their own party. That is discipline; that would get rid of safe seats; and that would ensure that voters' choice really did count.

Mr. Grieve: Voters can make up their own mind, and I disagree with the hon. Gentleman. Voters are offered a clear series of choices to make, including whether they wish to vote tactically—something that Liberal Democrats specialise in. On the whole, that is not a major problem and, indeed, they benefit from tactical voting, as they readily admit. Their by-election literature is all about tactical voting. How often have I seen "Only the Liberal Democrats can win here" on election literature. The hon. Gentleman's argument therefore has no basis whatever.

Mr. Straw: The new clauses before the Committee would not impose the alternative vote system on the British people, but give them a choice. As far as I can tell, the hon. and learned Gentleman has not used one word of his speech to oppose those clauses, so, if he is so confident of his opinions, why is he scared of putting them to the British people?

6.45 pm

Mr. Grieve: I refer the Secretary of State to his son's blog. *[Interruption.]* Yes, I do. I commend it to the right hon. Gentleman, because it highlights the fact that the Government have not chosen to give the electorate any viable choice in this bogus referendum. The only choice is between an established system and a system that is so manifestly flawed—except for the possible short-term advantage that it delivers—that it is not worthy of consideration. I have some sympathy with the Liberal Democrats, because, if the Government wanted to offer a constitutional convention-style approach to the electorate, with a multiplicity of choices, the Secretary of State's argument might have some force. At the moment, however, it has none, because what is being offered is a short-term gimmick.

Bob Spink: Will the hon. and learned Gentleman give way?

Mr. Grieve: No.

May I commend to the Secretary of State the words of his hon. Friend the Member for Glasgow, South (Mr. Harris)? On his blog of 19 November, he said,

"you know the best way of electing a Labour government? Not through messy, sordid little deals with the minor parties, but by winning more votes than the Tories. That's how they stayed in power for most of the last century—by beating us in elections; by offering the electorate policies that were more popular than ours."

Clearly, the Prime Minister has given up on that strategy, but we should not be too surprised. The hon. Gentleman went on to say that

"we simply reinforce the notion...that we have nothing to offer the voters but electoral calculations."

Mr. Wills: The hon. and learned Gentleman has quoted at great length from the review of voting systems, but on the spreadsheet that he has cited so often the review says that

"the ERS analysis assumed that in the 2005 election relatively few voters who principally favoured another party would have put them"—

the Conservative party—

"as second choice."

Why does he think that is?

Mr. Grieve: I have not the slightest idea. The Minister is now getting bogged down—*[Interruption.]* But he is. He wishes to embrace that document, so why have the Government come to the House to say that there should be a referendum on moving from the first-past-the-post system only to an alternative vote system? The Minister cannot escape that issue, and it highlights the way in which the Government have conducted the whole debate. That is why I shall ask my colleagues, and, indeed, every Member who wants any sensible debate about electoral reform, to reject the proposals before us.

Mr. Wilshire: On my hon. and learned Friend's point about why only one alternative voting system would be offered, does he not think that if AV were such a good idea the Government would come forward with a list of opportunities and, using AV, tell the electorate to put them in some kind of order?

Mr. Grieve: Yes, my hon. Friend makes a good point. The evidence of the Government's motivation is overwhelming, and it comes from their own supporters. Baroness Kennedy of The Shaws, a founder member of Charter 88, said:

"It smacks of the usual scheming and calculation—just what political reform should be designed to end."

Labour's former Mayor of London said:

"Many people like myself who have long fought for a truly representative voting system will be left with no alternative but to support first-past-the-post because the AV alternative is even worse...Those voters who have backed one of the two strongest candidates in a constituency get no further say in the process, whereas those who have voted for minor parties and crank candidates then get a second vote to determine the outcome between the two leading parties."

The hon. Member for Wolverhampton, North-East (Mr. Purchase) says:

"First past the post is the only sensible system"—[*Official Report*, 16 June 2009; Vol. 494, c. 156.]

while the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) says that

"the alternative vote system...can be even more disproportionate in its effects than the first-past-the-post system"—[*Official Report*, 16 June 2009; Vol. 494, c. 155.]

As I said at the beginning, this proposal is guff. As was rightly highlighted by my hon. Friend the Member for South Staffordshire (Sir Patrick Cormack), the straightforward point is that the Government know very well that this debate is going nowhere. We are now on the sixth day of the Committee stage of a major constitutional Bill. The House is about to break for 10 days. There will have to be Report and Third Reading, and there is not the slightest prospect of this legislation's reaching the House of Lords before the very end of the month or early March for Second Reading. On all the evidence, this House will finally have died into Dissolution by the end of March or early April.

All the posturing that the Government have fed us this evening, all their insistence on the importance of party loyalty from their own Back Benchers—many of whose views I respect and many of whom are clearly unhappy with the proposals—are for the shortest-term political advantage. With spin, a bit of media management and some smoke and mirrors, the Government try to make out that this is something new in new Labour. In fact, as far as I can see, it is the dying jerks of a Government who have run out of ideas. That makes it all a bit miserable, but the fact that the Liberal Democrats are prepared to sign up makes it a complete charade. We will oppose the proposals.

Mr. Frank Field (Birkenhead) (Lab): I wish to move the amendments that stand in my name on the amendment paper, but I also want to pick up the theme—

The Chairman: Order. This is not the moment to move amendments; we have to dispose of new clause 88 first. The right hon. Gentleman can, of course, speak to the new clauses and amendments in this group.

Mr. Field: After that happy start, I rise again to speak to new clause 88; in passing, I shall obviously want to speak to the amendments tabled in my name on the amendment paper.

I want to pick up the theme on which the hon. and learned Member for Beaconsfield (Mr. Grieve) ended and which the hon. Member for South Staffordshire (Sir Patrick Cormack) noted earlier. I hope that whoever is in the control box allowing what we say today to go out on the network has already pulled the plug in that it must be worrying for our constituents to watch us seriously debating a measure that we know will not affect legislation, the election result or whether we have a referendum.

In tabling my amendments, which I cannot yet move, Sir Alan, I hoped to turn this debate into a general discussion of parliamentary reform. One theme unites many of us on both sides of the House—the uncomfortable fact that a large number of us are returned to the House with only minority support. What we do about that is the beginning of the debate, not the end of it.

What worries me about the proposals that we are debating is that it is not difficult to imagine some of our colleagues initially being clear winners against three or four other candidates, but, through a process of elimination, losing their seats because the votes eventually go to the runner-up. There is a terrible illogicality in having a system in which a candidate can have a clear lead in the first-preference votes, but in which the second or third-preference votes become equal to the first-preference votes in further stages of the counting. Clearly, those other votes are not equal to the first-preference votes; if they had been, people would have voted differently in the first place.

Chris Huhne *rose*—

Mr. Hayes *rose*—

Mr. Field: I give way to the hon. Member for South Holland and The Deepings (Mr. Hayes).

Mr. Hayes: The point that the right hon. Gentleman has made is disturbing enough when it involves the extra power that would be gained by those whom we deride on the Liberal Democrat Benches. It is chilling, however, when one considers that it would also give extra power to those whom we detest in small, extreme parties that I shall not honour by naming.

Mr. Field: I totally agree, but I do not want to go down that particular route; I want to try to move on the debate a little.

Should the plug in the control box not have been pulled and should our constituents be watching this debate, they will think how old-fashioned it is that the only way in which we are talking about election is in respect of the old parliamentary system. There has been a big debate in the country about how we select candidates. Some people have an objection to safe seats; the answer, surely, is to consider seriously—not necessarily embrace—paying some attention to the mechanisms by which we select candidates.

My own seat of Birkenhead is quite safe—it was at the last election, at least. The real fight is about who will be the Labour candidate. I would welcome our having an open primary, in which there was a real contest for the Labour candidature; everybody would know that the person who won that would also win the seat. The

quid pro quo would probably be that we would move back to seeing uncontested returns in "safe seats" where open primaries were held.

Several hon. Members *rose—*

Mr. Field: I give way to the hon. Member for Epping Forest (Mrs. Laing).

Mrs. Laing: As I am sure the right hon. Gentleman is well aware, the Conservative party has held several open primaries to select candidates. They have been very successful and produced excellent candidates, who will be excellent MPs.

Mr. Field: We hope that they will be excellent candidates and MPs. Having been selected in that way, they will certainly have a different authority from that of the rest of us. That is why I wish that we had embraced that system. I wrote to the Labour party campaign, asking whether it was going to have an open primary. I was told that it would love to, but that it would cost £50,000. I asked whether it was possible to find that money, but I was told that the campaign was in the business not of raising money, but of issuing press releases. That did not take us much further.

Several hon. Members *rose—*

Mr. Field: I give way to the hon. Member for Mid-Sussex (Mr. Soames).

Mr. Nicholas Soames (Mid-Sussex) (Con): I support what the right hon. Gentleman has said about open primaries. Does he agree that, particularly at a time when participation in politics and political life is at an all-time low, anything that brings more people into the political process is devoutly to be welcomed?

Mr. Field: It is. One of the constraints on our current debate has been our use of an old-fashioned set of spectacles, always looking at engagement as being only one-way, rather than looking at where the voters might be. The selection of candidates, as the hon. Gentleman has affirmed, is one key way of addressing that.

Mark Durkan (Foyle) (SDLP): My right hon. Friend has already accepted the dangers of the costs of an open-primary system. Does he not also accept that, in logic, a primary system is essentially a process of electoral elimination, whereby weaker candidates fall away and those who support them end up helping to decide who finally wins? That very logic has been criticised in the alternative vote system. Surely the real issue is about how we get to a point at which every Member can truly say that they have a measure of mandate from a majority of their constituents. That gives us the alternative vote.

Mr. Field: I am grateful for that, but I shall not go down that route; the Chairman might suggest that I should be speaking to the main new clause and not that issue.

If what used to be called safe seats adopted a method of open primaries that were followed by uncontested results at the general election, the overall cost to the electoral system might not be that much greater. In other words, we would be using some of the money currently used in a general election to extend— *[Interruption.]* It is very good, is it not, that we now see where the Liberal Democrats stand on this issue? They are laughing at the idea of people trying to grapple with how we make it easier for our electorates to make their views sovereign in the process rather than ours.

7 pm

Graham Stringer: My right hon. Friend has obviously thought very deeply about we can address the disillusion with politics. However, is not this a particularly difficult time to go to the electorate and say that we want more money for the internal political process? Even in a seat like Birkenhead, if a Labour candidate is selected by an open primary, we cannot guarantee that there will not be a succeeding election and therefore an extra call on money from the public purse.

Mr. Field: I agree with that. However, given my earlier suggestion that we should use this debate not seriously to undertake a major constitutional measure but to open up how we make our system more representative, no cost would be involved at this stage.

Geraldine Smith (Morecambe and Lunesdale) (Lab): I think that there are dangers with open primaries. Supporters of the Opposition parties may turn up and vote for the weakest candidate, or there may be a candidate with a particular interest—for example, a pro-life candidate—who floods the place with their supporters. This could end up being very undemocratic.

Mr. Field *rose—*

The Chairman: Order. The right hon. Gentleman has a reputation for bringing new angles to our debates, but I think that this one might be stretching outside this group of amendments and new clauses, which, heaven knows, raises wide enough issues.

Mr. Field: I hope, Sir Alan, that you will nevertheless allow me to conclude this part of my speech. During the open primary in Totnes, the Liberal Democrats set out to try to get the person they considered to be the weakest candidate elected, and thanks to their campaign the weakest candidate came bottom of the poll. We must not underestimate the common sense of our voters.

Bob Spink: Will the right hon. Gentleman give way?

Mr. Field: No, I am going to make a small amount of progress, because you, Sir Alan, were kind enough to say that I could mention, at least in passing, the amendments that I have tabled.

The amendments try to address the central weakness of the proposal that the Government wish us to carry tonight—that a system of voting whereby second, third and fourth preference votes in constituencies where there is no majority winner then become, in a progressive movement, first preference votes. I do not believe that one can support that system.

Martin Linton: I know that my right hon. Friend has 65 per cent. of the first preference votes in Birkenhead, and I compliment him on that. Does he recognise that there are already millions of voters in hundreds of constituencies who know that their first preference does not have a chance and therefore vote for their second preference? We already live in a system where millions

[Martin Linton]

of people use the alternative vote, but they have to guess who the top two are going to be. Does he recognise that in the majority of constituencies the situation that he has described does not obtain, and that we need a solution to tactical voting, which is the alternative vote system?

Mr. Field: If that is my hon. Friend's thinking, I hope that I will persuade him of the merits of my amendment. I do not want anyone to think that I am not concerned about the fact that votes are not equal between constituencies. If we go back in history, one of the demands—it was not just a radical plea of the Chartists, but one that was picked up on the other side—was to have single votes and equal votes. It is clearly very different if we look at the numbers by which Labour Members and Conservative Members are elected. Unfairest of all is how many votes the Liberal Democrats have to receive to get a single Member of Parliament.

In my amendment, I propose the French system, whereby people have a vote whereby they are free to nominate any number of candidates that they wish, and they have a first preference vote. In constituencies where the candidate gets 50 per cent. plus one, they are declared elected. In all the other constituencies where a majority of the voters who turn out have not elected a member, during the following week the top two candidates are put back on to the ballot paper. In those circumstances, there is no need to guess, because everybody has first preference votes again. It is true, of course, that that system might be more expensive, but given what we spend money on now, might not the electorate prefer it? Interestingly, it is consistently the case in France that turnout on the second day of polling is significantly higher than on the first day.

Richard Burden (Birmingham, Northfield) (Lab): I am following my right hon. Friend's remarks with care. I wonder whether he has studied some of the analysis by the Electoral Reform Society. When it conducted a survey of different sorts of preferential voting systems a couple of years ago and looked at the French experience, particularly in the presidential election, it found that there was precisely the kind of tactical voting that my hon. Friend the Member for Battersea (Martin Linton) has mentioned. In particular, supporters of Chirac lent their votes to Le Pen to ensure that the run-off was between Le Pen and Chirac. That was a rather strange situation that did not really represent what was going on elsewhere. There is evidence of similar things happening in the presidential elections in Cyprus. Why does my right hon. Friend think that that would not happen here?

Mr. Field: I am not putting this proposal forward as the silver bullet to solve all the problems. I welcome the fact that the Government, even late in the day, are opening up the whole debate on parliamentary reform. It is crucial that we constantly strive to improve the form of representation that we have in this country. I do not think for one moment that it would guarantee that we did not get such results, although such voting is dominant mainly in elections of the French Parliament, not the French President. Given those circumstances, I hope that we will look seriously not only at the one option that is being put forward today but at a series of alternatives in the form of a debate rather than moving to a resolution this evening.

Bob Spink *rose—*

Mr. David Drew (Stroud) (Lab/Co-op) *rose—*

Mr. Field: As the hon. Member for Castle Point (Bob Spink) has been jumping up a lot, I will give way to him and then to my hon. Friend.

Bob Spink: I am grateful to the right hon. Gentleman. If he presses his amendment with the three alternatives to the vote, I will vote with him. On the AV system, does he accept that voters will not easily switch their allegiance between the main political parties, so the real political advantage will go to independents? Does he think that that might be a good thing, and that people might want to have more independents in this House in order to break the grip of the Whips from the main political parties?

Mr. Field: It is always good to have a disinterested contribution made here.

Mr. Drew: Much as I have difficulty with this proposal, because it is based on the French system, does my right hon. Friend agree that we would need to take the whole package? French national politicians also have local representative roles, and I have always felt that one of the weaknesses of the UK system is that we have to throw away our local power base to get elected as an MP. That is a weakness, is it not?

Mr. Field: I will not go too far down that path, except to say that I have been in the House for 30 years, and it is interesting how the role of an MP has changed. Although we may not formally have the role that my hon. Friend has mentioned, my role as Back-Bench Member of Parliament representing a moderately safe seat—as my hon. Friend the Member for Battersea (Martin Linton) was kind enough to point out—has changed out of all recognition in those 30 years. We do not have formal clout, and we are not elected to positions, but I am involved at a local level to a degree that would have been unimaginable when I first came into the House.

Mr. David Winnick (Walsall, North) (Lab): That is true of all of us.

Mr. Field: Indeed, and I am grateful to my hon. Friend for saying so.

I want to bring my remarks to conclusion, if I may. I welcome the Government's opening up this debate. It is not for us to put our sticky fingers into the soul of the Justice Secretary to try to work out what his motives are; we are all accountable for our own motives. In any event, good will come from our having a debate about how we can make this place more representative.

I do not believe for a moment that this is a serious legislative contribution, because even if we complete it in time, a deal will be done between the parties in the other place so that it does not see the light of day, and certainly so that it does not come back to us before the election. What we ought to take from today's debate is the extraordinary enthusiasm for the matter. In which other debates do we get such a number of Members in the Chamber, even at Committee stage? We are interested in this issue, and I say to the Justice Secretary that today is the start of it, but sadly not the conclusion.

David Howarth: I am sorry that I do not agree with either of the points that the right hon. Member for Birkenhead (Mr. Field) made. That is unusual for me, because usually I agree with his points. The first was that under preferential voting systems, people effectively have more than one vote. That is not the case, because as the hon. Member for Battersea (Martin Linton) pointed out, they have one vote but are effectively asked what they would do with it if their first-preference candidate were not standing. That is called tactical voting, which happens all over the country in every general election, but in a preferential voting system it is done more formally and rationally, and people do not have to guess.

The right hon. Gentleman's second point was in favour of the French system. I am sorry that I cannot follow him on that either, even though, unlike the hon. Member for Stroud (Mr. Drew), I am generally a great admirer of all things French. The electoral system in France has had an unfortunate effect not just on its politics but on its culture and way of life, because it has split the whole country into two large camps of left and right. France suffers constantly from that, and we should not go down that route. It would have the effect—perhaps many Members would welcome this—of taking us back to a bipolar system that is very difficult to break into. It is very difficult for new views to come through in such a system.

It seemed to me that the hon. and learned Member for Beaconsfield (Mr. Grieve) had only one argument, which defeated his own case. It was that he was against AV because it could be less proportional than first past the post, which is true. If he accepts that argument, he should therefore accept that as the single transferrable vote system, for example, is more proportional than first past the post, it is better and fairer according to his own argument. The Conservative case therefore seems self-contradictory.

Mr. Gummer: Does the hon. Gentleman not accept that many of us believe that despite its disproportionate drawbacks, the advantages of the first-past-the-post system are so great that it is better than any proportional system? It is perfectly possible to argue that proportionality is the only reason why one might want a change, and that this is the one disproportionate way of changing the system. It is therefore utterly barmy. To have a choice between first past the post and some sensible, proportional system, so that people could make a reasonable decision as to whether the advantages of one system outweighed its disadvantages, would be perfectly reasonable. However, to choose between one disproportionate—

The Chairman: Order. I know that there are complex arguments to be put in Committee, but I have to say to the right hon. Gentleman that that is an extraordinarily long intervention and may deprive himself and others of the time that they will need later.

David Howarth: I am trying to remember the start of the intervention. It seems to me that one cannot argue that first past the post balances the disadvantages of disproportionality and the advantages of decisiveness in such a well-calibrated way that any movement either way is obviously wrong. That does not make any sense, especially as everyone admits that we cannot tell precisely the degree to which AV would make a difference. We cannot answer that question, because preferential voting is like tactical voting but carried on in a different, more organised way. If tactical voting is unwound and people start to vote for their first preference, they will be voting in a way that they do not now. That is why it is perfectly reasonable to say that we do not know what the effect of the AV system would be.

Lynne Jones: Those of us who feel that we ought to move to a more proportional system cannot support the Liberal Democrat proposal, because it would break the link between the Member and the constituency. I would find it absolutely onerous to be a Member of Parliament representing the whole of Birmingham, for example, along with other Members. Why are the Liberal Democrats not supporting the proposal put forward by the royal commission, which is well thought out? It would move towards proportionality but by and large keep the link between even the additional Members and their constituents.

7.15 pm

David Howarth: There are two points to consider in the hon. Lady's question. The first is whether the single transferrable vote would break the constituency link, which it would not. It would just mean that there were more Members per constituency. It would break the one Member, one constituency link. For 17 years I was a local councillor and there were three members in my ward, but I did not feel that that meant I represented the people in my ward less. In fact, when a member of another party represented the ward for a few years, it increased competition between the parties in the ward and made us all better representatives.

The hon. Lady's second point was about the Jenkins commission's proposal, which was a political compromise but not one that we have to stay with for ever. It has a great number of disadvantages. First, it would set up two entirely different sorts of Member—the constituency Member and the list Member. There would be an overlap of responsibility between the two, but they would have very different mandates, which would lead to difficulties. Secondly, because the county seats would be so small—the lists would not be national; they would relate to very small regions by the standards of most regional list systems—the proposal would create the most extraordinary conflict of interest between AV-elected Members and county list Members. It would be in the interests of a list Member if his or her party colleagues lost in the constituency seat, which does not seem particularly sensible from the point of view of political parties or coherent government.

Mark Lazarowicz (Edinburgh, North and Leith) (Lab/Co-op): The situation that the hon. Gentleman describes applies under the additional Member system in both Scotland and Wales, and the most reasonable commentators do not see any difficulty with that system. If it works well in Scotland and Wales, why cannot it operate at UK level for this Parliament?

David Howarth: I concede that it is a better system than first past the post, but a lot of the problems are about how big or small the electoral regions are. The larger they are, the less problem there is with the overlap between the jobs of the two sorts of Member, and the less it is in the interests of list Members that people on their own side are defeated in the constituency elections.

Mr. Cash: Does the hon. Gentleman accept a point that I have addressed to him and the Secretary of State, that advocating proportional representation is an attempt to obtain more seats? In a way one can understand the Liberal Democrats taking that view—there is a sort of cynicism there, but it is an understandable one. Does he also accept that in the heady days long ago when Lloyd George had a big majority, he said that proportional representation was

"a device for defeating democracy...bringing faddists of all kinds into Parliament and...disintegrating parties"?

Then in 1931, Lloyd George changed his position, and in an electoral reform Bill proposed the alternative vote. Does the hon. Gentleman not see a little cynicism in all this?

David Howarth: It comes as no great surprise that my great leader Mr. Lloyd George was accused of cynicism on occasions, but nevertheless there is equal cynicism in the Conservative party, which argues for first past the post solely because it gains such a disproportionate advantage from it.

Mr. Tom Harris: The hon. Gentleman said earlier that the STV system does away with the single-Member, single-constituency link, but that is not quite true. The Liberal Democrats have tabled new schedule 3, which proposes new multi-Member constituencies. For instance, under that proposal, my seat would be subsumed into a seven-Member Glasgow seat with an electorate of 500,000. Some of those Members would, of course, be from minority parties. However, Argyll and Bute, with an electorate of 68,000, would remain a single-Member constituency, as would Orkney and Shetland, with an electorate of 35,000. Can he tell the House to which party the current Members for those constituencies belong?

David Howarth: Our proposal would do the same for the Western Isles, which is held by the Scottish National party. In any circumstances, there are certain geographical limits to the size of a seat. That is why, in any preferential system, there must be a range in the sizes of constituencies. One can have bigger seats in urban areas while retaining a sense of representing a geographical area than one can in rural areas, especially the thinly populated marine areas of the sort the hon. Gentleman mentioned. On the whole, the proportionality of the STV system comes from urban areas, because there are larger numbers of Members in those seats. That has always been the case. The proposal in 1916 was precisely that there should be STV in the cities and AV in the countryside, so it is not new.

Daniel Kawczynski *rose—*

Hugh Bayley (City of York) (Lab) *rose—*

David Howarth: I will give way to the hon. Gentlemen later, but I want to make some progress—I have not even started my speech yet.

Although new clause 88 is far from perfect, for reasons that I will seek to explain, and although we will seek to amend it radically, we will support it in the Lobby, at least so that it is read a Second time. According to the rather peculiar procedures of this Committee—compared, for example, with local government—the only way one can press an amendment to the new clause to a Division is if the new clause is read a Second time.

Why are the Government proposing a referendum between AV and first past the post, and not between the latter and a more proportional system? To that extent, I agree with what Conservative Members have been saying.

Mr. Oliver Heald (North-East Hertfordshire) (Con) Will the hon. Gentleman give way?

David Howarth: In a second. Why have the Government come to propose such reform so late in the day? It looks like a manoeuvre to me—a death-bed conversion. In Cambridge in 1997, I was obviously identified by the Labour party as a Lib Dem voter—I was a Lib Dem councillor, so I suppose I was rather easy to spot. I received a targeted letter from the Labour candidate—all parties send them—who expressed her undying support for a referendum on electoral reform. She asked me to vote tactically for her on the ground that a Labour Government would deliver electoral reform, or at least a referendum on it.

Mr. Frank Field: What did you do?

David Howarth: I did not believe her, and given that 13 years later, no referendum has happened, I am inclined to the view that I was right not to do so. I suspect that the reason why the Prime Minister has come round to promoting a referendum again is precisely so that Labour candidates can send out more of the same kind of letters. This time, I suspect I will not be the only one not to believe them.

Mr. Heald: After all these years of going on "Question Time" and other programmes saying that the Liberal Democrats want proportional representation, does it not feel a bit odd to the hon. Gentleman to be arguing for disproportional representation? Why are the Liberal Democrats going to vote for something that Lord Jenkins and so many other commentators have described as unfair and disproportionate?

David Howarth: We will vote for amendment (b) to Government new clause 88 so that the referendum is between first past the post and a proportional system. What will we do if that is defeated? Although the new clause is a very small step in the right direction, there are two truths. First, changing the electoral system is on the political agenda, which is a big and important point for us. Secondly, AV is a preferential system, which we are in favour of. The system we support—STV—is a preferential system, but it just happens to be proportional as well.

Daniel Kawczynski: In my discussions with the Electoral Commission, it has stated that it is possible to argue that we already have so many different types of voting systems that it causes confusion for certain people. In addition, we have not sorted some of the concerns about postal ballots. Is it not better to sort out and rationalise some of those problems before we get on to the subject of voting systems?

David Howarth: No. We should just get on with doing the right thing, which is to move to a fairer electoral system that is proportionate and preferential.

Mr. Hayes: I hope that the hon. Gentleman will put the answer to my question on the record once again, because he may have made a slip of the tongue, and I want to be fair to him—I am always fair, even to Liberal Democrats. Is he making it clear tonight that the critical thing for Liberal Democrats is that the system is preferential and that he is not so concerned about proportionality? We have heard from the Liberals for years about proportionality, but in the end, when push comes to shove, is proportionality less important to them than a preferential system?

David Howarth: The hon. Gentleman exaggerates the extent to which AV is disproportionate or worse than first past the post—sometimes it is, but not always. As I said a few moments ago, it is very difficult to predict the effects of AV, because first-preference votes will change. For us, it looks like progress, even if it is a small amount of progress, because it is precisely what the hon. Gentleman says: a preferential system. That is a small gain, but one worth having.

Pete Wishart (Perth and North Perthshire) (SNP): I note the hon. Gentleman's pain and his great concerns about voting with the Government for new clause 88. I share that pain—my party will also very reluctantly support the measure. In Scotland the hon. Gentleman's party is also reluctant to support a referendum on Scottish independence, even though that has majority support in Scotland. The proposed referendum on electoral reform has no public support whatever. Why is he against a referendum in Scotland and why will he not allow the Scottish people a choice, yet he is prepared to support a measure that nobody wants and a referendum in which no one has shown any interest in voting?

David Howarth: I fear, Sir Alan, that if I stray into that debate, I will be brought up short very quickly. The holding of a referendum is not in itself a particularly massive gain. I do not remember there being a referendum to bring in first past the post—it is the starting point simply because it is the status quo. There is a bias in favour of it simply because it is there.

I should like to mention one thing about the Prime Minister. I heard what the hon. and learned Member for Beaconsfield said about the Prime Minister's previous views on electoral reform and I agree with the former's position. That is another reason why I suspect the proposal is a manoeuvre. The hon. and learned Gentleman referred to the diaries of Lord Ashdown. I appear in those diaries, especially in volume 2, with a degree of accuracy for which I would not entirely vouch. Nevertheless, it was true at that time that the Prime Minister was seen as a fundamental block to reform. But, as my hon. Friend the Member for Somerton and Frome (Mr. Heath) pointed out in the debate on the money resolution, the question before us is not whether the proposal comes from a cynical or a bad source, it is whether the idea itself is worth supporting.

7.30 pm

It is true, however—I fully concede this—that AV has a large number of disadvantages. It is not very proportionate. It can be less proportionate, but proportionality is, for us, an important measure. It does not seem to be an important measure for the Conservatives when they support first past the post, and I am glad to welcome them to the camp of those who believe that proportionality is an important aspect of fairness in an electoral system.

It is true that very few seats proportionally would have changed hands under AV at the last election, if we make certain assumptions about whether people would have voted for their first preferences in the same way and what their second preferences would have been. In the end, however, there is one advantage to AV, which is that it ends tactical voting. The hon. Member for Glasgow, South (Mr. Harris) was of the view that Liberal Democrats are the main beneficiaries of tactical voting—*[Interruption.]* The hon. Gentleman says from a sedentary position that AV formalises tactical voting. What it does is end the need for tactical voting because people can vote in their real order of preference and do not have to guess about a situation in which they are voting for their fourth choice in order to keep out their fifth choice. That is an enormous advance for the legitimacy of the electoral system, because people are able to express their real political views in a way that they have not been able to for many decades.

Mr. Cash: The hon. Gentleman referred to the Paddy Ashdown diaries. To take forward my point about cynicism and tactical voting, would he be interested to know that from C. P. Scott's diaries it is clear that in his discussions with Lloyd George in 1931, the object of the exercise was a deal to create a Lib-Lab pact for two years from 1931?

David Howarth: I can assure the hon. Gentleman that there is no such pact now.

The AV system is not proportionate, it does not allow a choice of candidates between members of the same party, and it still allows safe seats. Those, for us, are major disadvantages. STV, the system that we propose in amendment (b), solves all those problems. STV is simply AV in multi-member constituencies, but it is far more proportionate. The results overall from Northern Ireland, for example, show a very high degree of proportionality, even in seats with four or five members. The Scottish local government version is less proportionate. That is because it uses smaller seats with smaller numbers of members. In practice, across the whole country, if there were constituencies with between one and six members, the result would be a very high degree of proportionality.

What is the advantage of proportionality? That is at the heart of the debate about whether we should move to a proportional system, as opposed to AV, and at the heart of the problem of legitimacy. That is why the Secretary of State was right to mention legitimacy. It is not a peripheral issue. The real problem with our politics is that this place is politically unrepresentative. It is so unlike the politics of the country that people do not recognise it. People here do not think so, but they wouldn't, would they?

The situation is like that before the Reform Act of 1832. The Members in that Parliament thought they were perfectly representative and there was no reason for reform. But we cannot go on with a political system under which unpopular Governments are elected by a little more than a third of those voting and push through policies that two thirds of those voting have just voted against. The Governments of this country—all of them—are unpopular the day they are elected.

Mr. Winnick: The hon. Gentleman referred to the Great Reform Act, when there was great agitation to end the corruption that existed at the time. Although

[Mr. Winnick]

there can be endless debates about our system, which he considers to be illegitimate, where is that agitation in the country? I support the amendment proposed by my right hon. Friend the Secretary of State, but to compare the situation around 1830 to bring about change with the current situation is farcical. There is no overwhelming wish for a change among the electorate. They may wish it, but it has not expressed itself in any way, and it is doubtful whether many letters are received by the hon. Gentleman on that matter.

David Howarth: The sentiment is expressed through a disaffection with politics and a hatred of politicians. To see the effects of that, we must go back to what happened after the start of the Iraq war. Millions marched and then said, "But the politicians paid no attention to us." That is where the danger is for our politics as it is currently set up.

Mr. Jeremy Browne: Is not the crucial change that in the 1950s the combined Labour-Conservative vote rose as high as 97 or 98 per cent. of the electorate? In those circumstances, one can see that a system designed for two parties may give an outcome that broadly reflects public opinion. At the last general election, the combined Labour-Conservative vote fell below 70 per cent. for the first time since the second world war. In the European elections last year, admittedly on a different electoral system, the combined Labour-Conservative vote for the first time fell below 50 per cent. In other words, more people did not vote for what used to be called the main parties than did. Under those circumstances, it is becoming increasingly difficult for either Labour or Conservative MPs to make a compelling case for an electoral system that rewards with absolute power parties that can command the support of only about a third of the electorate.

David Howarth: That is a very good point.

Mark Lazarowicz: With respect, it is not a good point at all. The first-past-the-post system was not good at representing the view of the electorate. In 1951 the Labour party received the votes of a higher proportion of the electorate than it ever had, yet we lost the election to the Conservatives. The system was not fair even in those days.

David Howarth: The hon. Gentleman is right. First past the post did not work even in its own terms. The one thing that is said about it is that it allows electorates to throw Governments out. One often hears that argument, but even that is not true. In the last eight elections since October 1974, on six occasions the majority of those voting have voted to kick the Government out, yet found on the day after the election that the same Government were still in office. A proportional system cannot have a worse record than that.

Mr. Alan Reid (Argyll and Bute) (LD): My hon. Friend is right to highlight the fact that the first-past-the-post system does not work even in its own terms. I can give the example of February 1974, when Ted Heath went to the country and said, "Back me or sack me." Under the terms of the first-past-the-post system, more of the electorate voted for him than for any other party, but he still ended up sacked.

David Howarth: So the argument works the other way round as well.

The Secretary of State made an important and serious point about the function of general elections. It is a point that I should deal with before concluding. He said that in elections for electing an Executive, it was important to have a decisive system, whereas in elections for a more representative body which was not involved in Executive decisions, a less decisive, more proportional system was appropriate. That is the heart of the problem—we cannot carry on with the myth that a general election is about electing a Government from parties competing on the basis of their manifestos and then claiming a mandate to govern. That is fine when the winning party has 45 or 50 per cent. of the vote, but it makes little sense to anyone when the winning party has 35 per cent. of the vote. That is even laying aside the fact—obvious to everyone in politics—that no one outside the political bubble reads manifestos. There is no mandate. The mandate to govern that the current Government claim, on the basis of their majority in this House, is illusory, and the public know that.

Mr. Tom Harris: Why is the current system so much less democratic than a proportional system in which, as soon as the polls close, the parties meet behind closed doors and start trading off the manifesto commitments on which their parties have just won the election?

David Howarth: The hon. Gentleman demonstrates the obvious fault that I mentioned—the parties did not win the support of the public on the basis of their manifestos, because no one reads the manifestos in the first place. It is a myth. What happens in countries with proportional systems is that, yes, the parties get together to try to create a Government with majority support—and that has some chance of having the moral authority to govern. We do not have Governments with that moral authority now.

Mr. Howard: In the light of what the hon. Gentleman says, will he give us an assurance that the Liberal Democrats will not produce a manifesto for the forthcoming general election?

David Howarth: I wish that I could give that assurance. Manifestos are mainly for internal consumption—*[Interruption.]* That is the reality that people do not seem to be willing to accept. Manifestos also lay out for the civil service the likely programme of a party. However, we must get away from these myths if we are to win back the trust of the public.

Dr. Tony Wright (Cannock Chase) (Lab): I am enjoying the hon. Gentleman's remarks, and agreeing with much of what he says, but is not the fundamental point that unless we decide what the electoral system is for—and different societies make it for different things—we will never agree on which form is right? If we want a rough and ready way to find a representative or to see a Government emerge, we will probably think that first past the post or an AV gloss is all right. If we think that its function is to match votes to representatives, we will prefer a proportional approach. Until we decide the fundamental question of what we want our electoral system to do, we will just go on reciting our favourite nostrums.

David Howarth: That is the central point, and that is why the Secretary of State was right to raise the point about what we are elected to this House to do. I do not think that we are electing an Executive: we are electing a representative legislature. That is a fundamental point that divides people. However, even if we were electing an Executive, first past the post does that very badly in a multi-party system, and results in Governments who are so lacking in legitimacy that we should revise our opinions of first past the post even in that case.

7.45 pm

Daniel Kawczynski: The hon. Gentleman talks passionately about proportional representation, but he knows that we do not have a history of grand coalitions between the two major parties. If we had more proportional representation, the Liberal Democrats, with a relatively small number of votes, would always be in government.

David Howarth: I do not consider more than a fifth of the vote to be a small number of votes. It does not follow that a party in second or third place is automatically in government. The hon. Gentleman says that we do not have a tradition of grand coalitions, but that is because we have first past the post. Under a different system, we would have a grand coalition fairly often, because of the similarity of view on many subjects between the two parties.

Paul Holmes (Chesterfield) (LD): Does my hon. Friend share my view about the parochial nature of much of the debate from the Conservatives and from many Labour Members? They imply that the world would fall in if we had an electoral system in which the votes cast actually resulted in proportional representation. Last year, I talked to Labour MPs from New Zealand, where they have switched from first past the post to STV, and they said that it worked fine. Denmark, Holland, Sweden, Norway and Germany are prosperous societies with successful Governments, and they all use proportional representation. What is the problem?

David Howarth: My hon. Friend is right that the debate here is often extraordinarily parochial. The idea that one can point to individual countries—Italy versus Germany, for example—to prove one way or the other that a system does not work is very simplistic. Looked at more broadly, no obvious objection to a more proportional system can be drawn from international comparisons. However, we need to look at the political situation in this country now, and how changing the electoral system could give our Governments more legitimacy than they have had for many years.

Mr. Wiltshire: It is a myth that we do not have grand coalitions in this country. What a first-past-the-post system does is create the coalitions before an election. The Conservative party certainly has two wings, as has the Labour party, and the Liberal Democrats have the Liberals and the Social Democrats. Are not those coalitions?

David Howarth: The hon. Gentleman's argument is more on my side than on his. As we already have coalitions within parties, would it not be better to make that more explicit and have a political system in which the public can see the different political views that are being put into the formation of a Government?

The amendments that we propose fall into two groups. Some are associated with amendment (a) and have to do with the date of the proposed referendum. The other set of amendments comes under the rubric of amendment (b), which is all about the topic that we have been discussing so far—whether the referendum should be between AV and first past the post or STV and first past the post. Amendment (b) proposes STV instead of AV. It is an argument for an STV referendum that those of us who are prepared to vote for an AV referendum tonight are not entirely enthusiastic about it. Would it not be better to have a referendum between first past the post, which has some enthusiasts here, and a different electoral system, which has many enthusiasts here? A referendum between two competing views that have enthusiasm behind them is likely to have a higher turnout and engage the public more than a referendum in which that is not the case.

The Government have to decide whether they really want to have this referendum or whether this is, as other hon. Members have implied, simply an exercise in gesture politics or even a case of setting up an opportunity to send out target letters. If the Government were really serious about the proposal, they would be setting it up so that an incoming Conservative Government could reverse the duty to have a referendum only by a full Act of Parliament. New clause 88 means that it will be possible for an incoming Government simply to propose the necessary statutory instrument and then defeat it using their majority. At that point, the entire duty to hold a referendum disappears.

By having the date of the referendum way into next year, it is possible to remove the duty to have a referendum by using the Parliament Act, without having a majority in both Houses. The effect of amendment (a) would be to change the date by which there must be a referendum to May next year, so that, because of how the Parliament Act works, inevitably it would be less than 13 months from the Second Reading of any repeal Bill. A repeal Bill could not, therefore, be forced through using the Parliament Act.

This is a test for the Government. I admit that on amendment (b), on which I would very much like to divide the Committee, there seems to be an obvious political difference about which electoral system to adopt and put into the referendum—AV or STV. There are clear differences of view on that. However, amendment (a) is about a different issue, on which I would also like to divide the Committee, if the opportunity arises. It is about whether the Government really are serious about this or just playing games. I very much hope that they are not playing games and that this is a serious proposal.

Martin Linton: It is a pleasure to follow the hon. Member for Cambridge (David Howarth). I shall be considerably briefer than him, even if it means taking fewer interventions.

I would like to give an unreserved welcome to Government new clause 88. Some months earlier, I tabled new clause 32, with the support of my hon. Friends the Members for West Bromwich, East (Mr. Watson) and for Reading, West (Martin Salter), and 25 other hon. Members, and I think that we are entitled to say that we prompted and prodded the Government to table their new clause 88. That is not to say that the two

[Martin Linton]

new clauses are identical—ours, I think, is superior in a couple of respects—but if either is passed tonight, we will be content.

New clause 32 calls for a shift to AV. It recognises that that represents only a small change from a system of x-voting to 1-2-3 voting, but I do not underestimate the difficulty of getting even that small change agreed. After all, there has not been a change in the voting system for more than 100 years. Like a tractor stuck in the mud, it requires a huge effort to move it just a few inches, because we have to overcome the forces of inertia, which we have heard plenty of tonight. I therefore thank my right hon. Friend the Secretary of State, the Minister of State, Ministry of Justice, my right hon. Friend the Member for North Swindon (Mr. Wills), and the Prime Minister for tabling the new clause.

I shall address the arguments and comments of the official Opposition. Often when I hear them barracking Labour Members, I know that they do not have any rational arguments. Their motto seems to be, "When in doubt, shout." The hon. Member for Shrewsbury and Atcham (Daniel Kawczynski), who has left his seat, has tabled an amendment entitled, "Simple majority voting". First past the post might sometimes be called the majoritarian system, but it is the system that we are now trying to introduce—the AV system—that is the true majoritarian system, under which the winner must have majority support. What can be wrong with that?

First past the post is like tossing a coin, in that it only really works when there are just two candidates. That is why it usually works for presidential elections in the States, where there are rules that make it very hard to have a third candidate on the ballot paper. Arguably, it worked reasonably well in this country until about 100 years ago, when there were usually two candidates per seat, but the moment there are three candidates, it becomes a lottery. We need only look at a classic example in Northern Ireland that I was discussing with my hon. Friend the Member for Foyle (Mark Durkan). In seats where the Unionists and nationalists are evenly divided, if two Unionists and one nationalist stand, the nationalist is elected, and if two nationalists and one Unionist stand, the Unionist gets in. It is not how people vote, but who stands, that decides the result.

Mr. Cash: Will the hon. Gentleman, who is advancing his case for AV, recall that I made the following point to the Justice Secretary, which he did not seem to understand? Under the AV system, where a majority of 50 per cent. is the criterion for deciding whether a person gets a seat, it does not necessarily follow, as all the constitutional authorities state, that it will translate into an overall majority in the House of Commons. The crucial point about changing the electoral system is that, if the 50 per cent. rule were to apply, it should apply not only to seats, but to Parliament and therefore Government. That at least would make some kind of sense.

Martin Linton: I am enjoying listening to Conservative Members preaching proportionality to the rest of the Committee. As I understand it, they do not believe in proportionality. What the hon. Gentleman says is perfectly true: AV is perfectly fair in constituencies, but does not guarantee that the same will be true across the nation. However, it is a more proportional system than first past the post. There have been elections in which it has been less proportional, but all the studies have shown that overall it is more proportional. Most of all, however, proportionality is the wrong yardstick, because AV does not claim to be proportional to people's first preference; it claims to be proportional to people's first, second and other preferences. As an expression of what people want, it is far more accurate than first past the post.

I was talking about the system in Northern Ireland where results depend so much on which candidates stand for election. I do not know whether there is any truth in the apocryphal story of candidates being kneecapped on their way to present their nomination papers, but it makes sense, because of the distortion that first past the post brings to the system. Of course, that happens in Britain too. We have often heard the Conservatives blaming the UK Independence party for splitting their vote, and of course I believe that Labour would have been in power for most of the previous century if it had not been for the Liberals splitting the progressive vote.[HON. MEMBERS: "You split our vote!"] I was expecting that retort.

We can agree, however, that that has created a massive amount of tactical voting in the system—people know that their first choice has no chance, so they vote for their second choice. People are already using their own alternative vote, therefore, only they have to do it by guesswork. The Leader of the official Opposition reacted to our proposals with what, to my mind, was sheer bluster. He called AV a crazy and ridiculous system, omitting to mention that it was the system that his party used to elect him, the system that every party uses to elect their leaders, candidates and committees, the system that elected Boris Johnson Mayor of London—with the minor difference that voters had only a first and second choice—and the system used to elect every other mayor. We have never heard any complaints about it before. It is also the system used in Australia and France, although there, of course, they do it over two rounds, and as the newly elected Glasgow MP, my hon. Friend the Member for Glasgow, North-East (Mr. Bain), pointed out, the system is used in precisely this form in Scottish council by-elections.

Mr. Wilshire: The hon. Gentleman mentioned Australia, and I am fairly certain that it was there that somebody managed, under an AV system, to get 6 per cent. of first preference votes and get elected. Is that a system that commends itself to him?

Martin Linton: Of course, that could also be true under first past the post, but with one difference. I can think of a first-past-the-post election, although not in this country, in which somebody was elected with less than 6 per cent. The difference is that, if that freak result happened under the AV system, the result would depend on the second choices given to the other candidates, so somebody would not be elected simply with 6 per cent. of the vote.

Mr. Wilshire: Will the hon. Gentleman give way on that point?

Martin Linton: I must resist that, because I fear that we are going to go down a side issue.

Mr. Wilshire: I am puzzled by what the hon. Gentleman has said.

Martin Linton: I give way.

Mr. Wilshire: I am most grateful. The hon. Gentleman claimed that under the first-past-the-post system, someone who gets 6 per cent. of the vote can be elected. I am puzzled. Could he explain how, with just 6 per cent. of the vote, under the first-past-the-post system, someone could win?

8 pm

Martin Linton: I am more than happy to explain for the hon. Gentleman's sake. We have never had any MP elected on 6 per cent. in this country, but plenty of Members of the current House of Commons were elected on less than a third of the vote, and one was elected not so long ago on just over a quarter. Why are we frightened of the simple majoritarian principle that MPs should have majority support?

Some of my colleagues in Scotland complain about the systems used in the Scottish Parliament and Scottish council elections, but AV has nothing to do with those systems. AV is not proportional representation; it is just 1-2-3 voting. It keeps the constituency link, it is no more likely to lead to hung Parliaments and it makes it even more difficult for extreme parties to get elected, because they need majority support. AV is also proportional to what voters want, because it looks at their first and second choices, and it does not lead to the danger of having MPs elected with only a third or a quarter of the vote.

I would invite any colleague to find a voter who objects to being given a second choice. On the contrary, the public seem to love it. For instance, "The X Factor" is a long, drawn-out version, over several weeks and several rounds, of a preferential system. Indeed, if "The X Factor" had been run on first past the post, the Jedward twins would have won, because they came top in the first round, albeit admittedly with only 10 per cent. That would have been a travesty—not only a musical travesty, but a democratic travesty, because they got only 10 per cent. of the vote.

The reason we are frightened of a system that gives us simple majoritarian rule is that we are all transfixed by calculations of party advantage. We are not just asking, "Will AV be good for the voter or fairer?"; we are asking, "Will AV help me?" I should point out that there are two very different ways of calculating what would happen under a different voting system. First, there is the static analysis, whereby past elections are rerun, assuming that people would vote the same way, even with a different system of toting up their votes. I am sure that we have all seen those analyses. However, I shall not rehearse them here, because they do not help us at all.

Then there are the dynamic analyses, where we look at what happens under different systems or in different elections in different countries. I have spent a fair amount of time writing about elections—mainly in newspapers, but sometimes in books—and I would caution hon. Members very much against believing the static analysis of what would happen. AV is a different ball game, and how people would vote would change quite a bit. Candidates with a strong tactical vote could find their first-choice vote unravelling, because there is no point in voting tactically under AV.

Simply putting someone's results at the last election through an algorithm does not tell us what will happen. What we should look at is the dynamic analysis. Let us look at the elections held under AV—mayoral elections, Australian or French elections, or Scottish council by-elections. In all those elections, it is impossible to see any particular advantage to any party. The only clear advantage is to the voter, who gets a clearer choice. What happens in AV elections is that candidates and parties act in a slightly different way, paying more attention to other people's second choices, and that is surely no bad thing. Under AV, it is no good being a Marmite candidate—one whom the minority loves, but the majority hates. Candidates need more of a rainbow appeal. Frankly, when we look at the history of British elections over the past 20 years, is that not the lesson that we should learn from our electoral system?

Mr. Hayes: The hon. Gentleman said that the only people who had an advantage under an AV system were the voters. That is not strictly true, is it? The other advantage is felt by very small and often extreme political parties, which are peculiarly disadvantaged by the first-past-the-post system. *[Interruption.]* It is true. The first-past-the-post system is not entirely fair to those parties, and that is one of its virtues, not one of its vices.

Martin Linton: If that is a virtue of the first-past-the-post system, it must be an even greater virtue of the alternative vote system, because small, extreme parties would need to have the support of a majority of a constituency—albeit on second or third preferences—which would make it more difficult for them to be elected. However, the result would be closer to what people actually want.

Tom Levitt (High Peak) (Lab): The other people who would benefit from AV are all the Members of this House. Everyone would then be able to say, "I have the conditional or actual support of more than 50 per cent. of my electorate, and that gives me greater authority." In my three elections, that has happened to me only once, and unfortunately only one in three Members can say that it happened to them at the last election.

Martin Linton: Indeed. As they were speaking earlier, I looked up many of the Members taking part in this evening's debate, and I found that, with some notable exceptions, very few of them have more than 50 per cent. However, new clause 88 is important not just because a 2015 election might be fought on AV, but because the 2010 election might be fought at least partly on that issue. I want to be able to tell the voters who support change in the voting system—there are a lot in my constituency, even if there are not many in those of some other Members present—that I will vote for a referendum, and that I will vote for change in that referendum.

Dr. Alan Whitehead (Southampton, Test) (Lab): I have listened to my hon. Friend's analysis of AV carefully. Would he also care to reflect on one of the other advantages of AV, which is that, under such a system, the battle in any election does not necessarily coalesce around 70 or 80 key seats? People's votes count for a lot more, and therefore the contest is much more widespread, particularly under the dynamic analysis that he has presented. That means that a party wanting to put large amounts of money into a small number of seats might

[Dr. Alan Whitehead]

be disadvantaged. That would be a much fairer result for the British electorate, rather than having people using large amounts of money to buy the votes of a small number of people in a small number of seats.

Martin Linton: That is true. Although it would not have the same effect as a totally proportional system, AV would push elections in the direction of being more sensitive not just to the core voters of a particular party, but to the electorate in each constituency. That would focus politicians' minds on winning over the second preferences from other parties. That is a good discipline, and one that, at this moment in Parliament's history, would not go amiss.

I want AV to be an issue at the next election, so that I can make it clear to people in my constituency who want change that I will support it, and so that the referendum will happen. That will expose the shallowness of the Conservative commitment to change. There is little in this country in such obvious need of change as the voting system, and if the Conservatives oppose change, they will lose any credibility as a party of change. What is wrong with giving voters a choice in a referendum? What is wrong with expecting MPs to be backed by a majority of their voters? What is wrong with allowing voters to express a second preference? What is wrong with putting a bit more choice in the hands of the voter? The Opposition do not have answers to any of those questions.

What we are debating is a small step, but frankly we owe it to the voters. Whether we are personally involved in the expenses scandal or not, this Parliament has shaken the voters' faith in us. We have been shown up to be acting in our own interests, rather than in the interests of our constituents. Here is a classic case where we can improve the voting system—from the voters' point of view, not from ours. That is the very least that we can do to help to restore the voters' trust in the democratic system.

Sir Patrick Cormack: I will not attempt to follow the hon. Member for Battersea (Martin Linton) in detail. I want to make a brief speech, because I know that many colleagues wish to take part in the debate.

I want to make just a few points. First, I regret the fact that time is being spent on this proposal, because there is absolutely no chance of its reaching the statute book. We all know that, and that includes the Government. We are wasting parliamentary time, as this Parliament ebbs out to a rather inglorious close. Those who would like us to be properly debating the subject of this afternoon's statement—after-hours doctors services—or the issue of higher education cuts will see this as yet another example of parliamentary navel gazing. There is no public demand for this change. We are debating it for one reason only. That is that the Prime Minister feels that there is likely to be a hung Parliament—I am not saying that I agree with him—and he is offering an olive branch to another party, which he thinks might help to sustain him in office. It is cynical and as simple as that.

I shall not be contesting the next general election. I shall miss this place greatly. I have always had the great advantage of being returned with over 50 per cent. of the vote, and I believe that those of us who have always been in that position have a case to answer. However, the answer is most certainly not AV. If I go to vote—I dare say that this applies to most people in the Chamber tonight—I do not wish to vote for a second preference candidate. I know whom I want to vote for, and if that person and that party were eliminated, I should want time to reflect.

That is why the only other system that I would contemplate—although I am very happy with the status quo—is the one that was advanced in a brief but telling speech by the right hon. Member for Birkenhead (Mr. Field). The two-round election is a simple system, and it has a degree of fairness about it. If a Conservative voter went to the polls and found that the Conservative candidate was not in the first two, there would be time for that voter to reflect on the track record of those who remained, on their affinity with the local community, and on their views on issues that were perhaps not political but moral in nature. The voter could weigh up all those factors and cast their vote accordingly for one of the two candidates and, at the end of the day, one candidate would emerge with over 50 per cent. of the vote. I know that, under that system, there can very occasionally be a tie, but the right hon. Gentleman looks after that eventuality in his amendment.

Chris Huhne: I fail to see the advantage of the system that the hon. Gentleman and the right hon. Member for Birkenhead (Mr. Field) are proposing, compared with the alternative vote. After all, under the alternative vote system, all the factors that the hon. Gentleman has just described are available to the voter in the run-up to an election. He was telling us earlier how important it is to save public money, yet he now seems to be suggesting doubling the cost of general elections by having two rounds.

Sir Patrick Cormack: I was very careful to say that I preferred the status quo, but if there were to be a change, this is the one system that would commend itself to many people. I have said this over many years in the House, in articles and elsewhere, so there is no question of my changing my mind.

My greatest objection to the AV system is that the voter has to state preferences when they really want to vote for a particular individual and, often, a particular party. They do not want to be asked for a second preference after they have cast their vote. I also find compelling the argument that there is a real danger of giving disproportionate power and influence to those who vote for fringe candidates. In his intervention, my hon. Friend the Member for South Holland and The Deepings (Mr. Hayes) was either too sensitive or, unkind people might say, too mealy-mouthed to mention the British National party, but AV has the potential to give influence to those who vote for zany parties, for silly minority parties and for downright evil minority parties. That is something that we have to take into account.

Mr. Roger Godsiff (Birmingham, Sparkbrook and Small Heath) (Lab): Will the hon. Gentleman give way?

Sir Patrick Cormack: I will, but I am anxious that everyone should get in, and I am conscious of the time.

Mr. Godsiff: The hon. Gentleman said that the AV system forced people to cast their votes in order of preference. With great respect, that is not true. Under

AV, a voter may cast a single vote for one candidate. Their vote would not be invalid if they did not mark the rest of their ballot paper with second, third, fourth or fifth preferences.

8.15 pm

Sir Patrick Cormack: I concede that point. One does not have to express further preferences.

My other point is still valid, however. The Government have introduced this measure for rather shabby reasons, which were brilliantly exposed by my hon. and learned Friend the Member for Beaconsfield (Mr. Grieve) in his very entertaining opening speech. I do not believe that the hearts of the Lord High Chancellor and the Minister of State, Ministry of Justice, the right hon. Member for North Swindon (Mr. Wills)—an effective and agreeable Minister who, sadly, is not standing again—are in this. They are going through the motions because they feel obliged to do so. They are doing this with a reasonable degree of compliance because they know that, at the end of the day, these measures are not going to become law. The timetable makes that impossible. We were originally going to have four days in which to discuss the Bill; we are now on the sixth, and there will be at least one more. Then, it will have to go to another place, and because certain parts of the Bill have not been debated at all in this place, there will be a need for further thorough scrutiny and debate.

This is therefore a cynical exercise, which is taking Parliament's eye off the ball on which it should be focused—namely, the great national and international affairs of the day. As I said when we debated the money resolution earlier, this is another example of the Government treating this place with contempt and pretending to be the servant of democracy. They are not. There is no perfect system, but the one that we have at the moment is infinitely better than the one that is being proposed. The only other system worthy of consideration is the one that is the subject of the amendment tabled by the right hon. Member for Birkenhead.

Mr. Godsiff: Although this is hardly the dominant issue on the doorstep or in the pubs and clubs, I welcome the Government's commitment to holding a referendum on the alternative vote system. I have no problem with the concept of referendums. We had one on EU membership in the 1970s, one in Scotland on the setting up of the Scottish Parliament, and one in Wales on the setting up of the Welsh Assembly. We should also have had one on the Lisbon treaty, and I voted for such a referendum in the House, unlike my friends on the Liberal Benches who were split three ways: some were for, some were against, and some did not know.

I am not in favour of the concept of proportional representation, because it results in minority parties being able to determine who will govern, and extracting their price accordingly. We have only to look at the most purist example of PR—the Israeli Parliament—to see the consequences of purist PR. I have always supported the alternative vote system because it is not PR but an improved version of the first-past-the-post system. I am somewhat surprised that those who argue strongly for the first-past-the-post system—of which I am also a supporter—cannot see that AV represents an improvement on it while retaining the constituency link.

The essence of the alternative vote system is that the winning candidate has to get 50 per cent. plus one vote. As a number of Members have said, what can be wrong with that, when only a third of right hon. and hon. Members were elected by more than 50 per cent. of the electors in their constituencies? It also means that electors who support minority parties, particularly in so-called safe seats, can exercise their choice without feeling that their votes are wasted. As I said to my good friend, the hon. Member for South Staffordshire (Sir Patrick Cormack), it allows them to have a second, third or fourth choice—depending on how many candidates there are on the ballot paper. What it does not do is force people to vote more than once. If people wish to cast only one vote for one candidate, they can do so and their vote is not invalidated. If they choose to vote for a minority candidate—as some would say, to vote with their hearts first of all—they will also have a second choice to vote with their heads afterwards.

Mr. Hayes: I am glad that the hon. Gentleman has acknowledged that point, which was rejected in my earlier intervention. He is right that black-hearted supporters of small parties would have at least greater influence, if not greater power. Surely, he would recognise that that is a bad thing, not a good thing, for our democracy.

Mr. Godsiff: Somebody once said that democracy is a very bad form of government, but all the others are so much worse. Democracy means that the elector has the right to choose whatever candidate they want to vote for. The party they vote for is their choice. In a democratic society, unless a party is not proscribed from standing, candidates belonging to that party are entitled to have their names on the ballot paper so that people can vote for them. That is called democracy.

Pete Wishart: Will the hon. Gentleman concede that AV actually works against smaller parties? It is almost impossible for a UKIP or, say, a Green candidate to secure 50 per cent. of the vote in an individual constituency, but they might just sneak in with 27 or 28 per cent. in a normal first-past-the-post election. AV is not going to help smaller parties to get parliamentary representation in any way.

Mr. Godsiff: I did not suggest that it did. I was arguing for the virtues of an alternative vote system as an improved version of first past the post. My good friend is arguing for a totally different system, which he is perfectly entitled to do, that he feels is more favourable to smaller parties. I understand his argument, but I am arguing for the alternative vote system because I believe it embodies the best aspects of first past the post, but also builds on and improves it. That is why I intend to support what I believe will be a sensible change.

Let me start to conclude by responding to some of the comments made about the Jenkins report. It has been said tonight in rather reverential terms, as though the departed Lord Jenkins was a totally unbiased and disinterested individual with no vested interests whatever in the single transferable vote top-up system that he proposed. It needs to be put on the record that Lord Jenkins was an outstanding and distinguished parliamentarian: he was Home Secretary and Chancellor of the Exchequer in the 1960s Labour Government; he was Home Secretary in the 1974 Labour Government; he was the Labour

[Mr. Godsiff]

nominee for President of the European Union; and he was a founder member of the Social Democratic party, which was set up, in his own words, to "break the mould" of politics and destroy the Labour party. He was elected to this place as an SDP Member; he then became a distinguished member of the Liberal-SDP pact.

Mark Lazarowicz: Before my hon. Friend goes too far in suggesting that the Jenkins commission was a personal exercise by Lord Jenkins who put forward nothing but his own interest, I am sure that he would accept that it was a commission of all parties, including Baroness Gould, who was a Labour party organiser herself. I do not think that one should suggest that this was a Jenkins-only commission; it was a broad-based commission receiving broad support, as reflected in the submissions made to it.

Mr. Godsiff: I hear what my hon. Friend says, but the fact of the matter is that this is always cited as "the Jenkins report" and Lord Jenkins was the father of it as chairman of the commission. It is therefore right to point out, as I had started to do, that although he was a great and distinguished parliamentarian, he was hardly disinterested in the system that was proposed.

As many other Members have said, there is no perfect electoral system: all have their flaws; all have their benefits. I really believe, however, that the first-past-the-post system, as improved by AV, is a good system. It is one that the Australians use and it has served that country well. It has reflected the majority viewpoint of the Australian electorate ever since it was introduced. I very much welcome the Government's proposal this evening, which will at least allow the people of this country to pass judgment on whether they think it is a good or a bad thing.

Mr. Howard: Last week, Lord Turnbull, who knows the Prime Minister particularly well, having served as his permanent secretary at the Treasury for four years, delivered his verdict on the Personal Care at Home Bill. He said in the other place that it was

"a classic Gordon Brown dividing line. It is not drawn on merits but has been chosen to set a trap for the Opposition".—[*Official Report, House of Lords*, 1 February 2010; Vol. 717, c. 67.]

That was a devastating indictment of the Prime Minister from a former Cabinet Secretary who did not choose those words lightly. Exactly the same verdict applies to the measure before us this evening.

At Prime Minister's questions last week, my right hon. Friend the Leader of the Opposition brilliantly exposed the cynicism of the Prime Minister's deathbed conversion to electoral reform. According to the previous Prime Minister, whenever a previous attempt was made when he was in office to reach agreement with the Liberal Democrats in order to introduce electoral reform, the present Prime Minister was what Mr. Blair described as the "primary block".

Later last week, the Prime Minister told the Liaison Committee that it was not possible to introduce reform in 1998 because there was no consensus, but the reason why there was no consensus at that time was that the Prime Minister himself blocked it. No one should be under any misapprehension about the Prime Minister's motives in bringing forward this measure today. As Lord Turnbull said, it has nothing to do with the "merits" of the case as its only purpose is to "set a trap" for the Opposition.

Let me turn to the merits. When it comes to electoral systems, a clear choice is available. On the one hand, we can choose a system that conforms to some abstract notion of "fairness"—a concept that should perhaps be placed in inverted commas in this context, because of its many disadvantages. On the other hand, we can choose a system that is likely to deliver effective government provided by a single majority party. We cannot have both and we cannot have perfection.

It is possible to have a system that is perfectly proportional—a system that gives parties a proportion of seats in Parliament that corresponds exactly to the proportion of votes that they obtained at the preceding election. Thirty per cent. of the votes will give a party 30 per cent. of the seats; 5 per cent. of the votes will give it 5 per cent. of the seats, and so on. That is the system that is closest to the abstract notion of fairness that I described earlier, and it is the system that corresponds most closely to the needs of proportionality, which the hon. Member for Cambridge (David Howarth) has said is at the heart of the debate.

Here are some of the disadvantages of that system. First, it is completely inconsistent with any kind of constituency link—it is impossible to combine a constituency link with perfect proportional representation. Secondly, every Member elected under such a system must be elected on the basis of a party nomination, so the influence of the party at the expense of the individual Member of Parliament is immeasurably increased. That is not a consequence that would necessarily gain unanimous or even majority support in the House of Commons or beyond.

Thirdly, when such a system is in force, it tends to give wholly disproportionate influence to small, often extremist parties. As the hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) has pointed out, the state of Israel has exactly that system. Its Government, throughout its existence, have been bedevilled by the influence of small and extremist parties, and I do not think it an example that we should follow.

Chris Huhne *rose—*

David Howarth *rose—*

Mr. Howard: I will give way. The hon. Gentlemen had better decide between them who should go first.

David Howarth: I will go first.

The right hon. and learned Gentleman has said that it is difficult, or even impossible, for independent Members to be elected under proportional systems. That is entirely untrue of the single transferable vote. The Irish experience has been that it is quite straightforward for independent Members to be elected, even independent Members who have rebelled against their parties.

8.30 pm

Mr. Howard: The single transferable vote is not perfectly proportional. I am talking about a system which exists in other countries, and which represents exactly the concept of fairness and proportionality on which the Liberal Democrats place so much emphasis. I shall say more about that shortly.

The fourth disadvantage of such a system is that the formation of a Government under it is almost always a protracted process involving backroom deals behind closed doors. During those negotiations, manifesto promises made by parties are jettisoned—as we have just heard, the Liberal Democrats do not think that that matters at all—so that it becomes extremely difficult, if not impossible, to identify anything resembling a covenant between the voters and the Government whom they elect.

Mark Lazarowicz: The right hon. and learned Gentleman has ably described the disadvantages of a pure proportional representation system. Does he accept that no Member today has suggested such a pure PR system? May I also point out that the PR system in Germany has given that country very stable government for some 50 years?

Mr. Howard: I accept that no one is, for the moment, proposing a system of that kind, but that is the only system that provides perfect fairness and perfect proportionality. It must be recognised that those who do not want a system with those disadvantages cannot have a perfectly proportional system. It is not possible to have a system that complies with the abstract notion of fairness, of which we hear so much from the Liberal Democrats and which is so beloved by advocates of electoral reform.

Mr. Gummer: I hope that my right hon. and learned Friend will not avoid answering the question posed by the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz) about the system in Germany. Because of that system, the smallest party achieving sufficient numbers has had the Foreign Secretary for most of the period since the war, and the Free Democrats are always over-represented.

Mr. Howard: My right hon. Friend is, of course, absolutely right.

Sammy Wilson (East Antrim) (DUP): The right hon. and learned Gentleman has rightly pointed out that all the arguments in favour of AV, or moving from AV to proportional representation, are about fairness. However, we in Northern Ireland know that when such a system is used not only for electing people but subsequently for forming a Government, we are left with a Government who are divided and indecisive. Rather than enhancing the standing of the legislature in the eyes of the people, that indecision reduces their confidence in the system. That is the fundamental weakness of what is being proposed here tonight.

Mr. Howard: In fact, the hon. Gentleman exemplifies the unpredictability of the system that is being proposed here tonight.

The principal alternative to proportional representation is, of course, first past the post, whose great merit is that, much more often than not, it delivers a Parliament in which one party has an overall majority. That creates at least the possibility—although not the certainty, as we have seen in the past 13 years—of firm and effective government. It preserves the constituency link; it gives Members of Parliament an individual mandate; the formation of a Government normally takes place immediately after the election; and it makes it more difficult for extremist parties to gain power. Now, it does not, of course, comply with the abstract notion of fairness that I have previously described. Indeed, it can be very unfair. At the last general election, for example, although the Conservative party obtained more votes than Labour in England, we got 92 fewer seats in England. That extreme unfairness would be remedied to some extent by the proposals in new clause 99, which I welcome, but those proposals would not extinguish that unfairness completely. I believe, however, that that is the price that has to be paid in order to obtain the advantages of first past the post.

The Government's proposal seeks to find a compromise between these two models and, like most such proposals, it falls between two stools. It delivers neither fairness nor the advantages of first past the post. It gives wholly disproportionate power and influence to those whose first preference is for the least popular and least representative option before them. I do not believe that we should introduce a system that gives disproportionate influence and power to people who have those views. They are perfectly entitled to have those views, and they are perfectly entitled to vote for parties that represent those views, but I do not see any reason why we should give them disproportionate influence and power by giving them the opportunity to vote again and again and to have, perhaps, the decisive influence in the decision as to which candidate should represent their constituency. The Government option gives us the worst of all worlds, therefore.

Mr. Wills: I am sure that the right hon. and learned Gentleman is aware that this system is used in London, although with slight variation, but does he accept that the nightmare he is conjuring up did not take place in London?

Mr. Howard: No, it did not, and it will not happen every time; of course, there will be many occasions when AV will not actually produce that dangerous outcome, but the potential of its being produced is inherent in the system, and it is maximised in an election of Members of Parliament and a potential Government.

Under the system the Government propose, instead of coming to this place as the first choice of their constituents, Members of Parliament would be sent here as their second, or even third, choice. It is a recipe for a second or third-best Parliament, and a second or third-best Government. That is the last thing our country needs, faced, as we are, with our greatest challenge for a generation or more. For those reasons, I hope this misguided, misconceived and mistimed proposal is decisively rejected by the Committee this evening.

Mark Lazarowicz: My starting point for this discussion is as somebody who has supported proportional representation for more than 20 years. I support it simply because it is a fairer, more democratic system. It is neither fair nor democratic for us to have a system under which a party with a relatively small minority of votes can be rewarded with a clear majority of seats. That is unfair for both the parties involved and the electorate, whose wishes are therefore not accurately reflected in the make-up of Parliament. No system is perfect or perfectly fair, but I have long believed that we should move to a fairer and more democratic system. That is what we should be seeking to do.

[Mark Lazarowicz]

The alternative vote system is not a proportional system, of course, but although it can in some circumstances distort results more than a first-past-the-post system, it also has some advantages. As my hon. Friend the Member for Battersea (Martin Linton) has pointed out, under it every MP could say that they had the positive support of half the electorate in their constituency, which most MPs cannot say at present. Also, although it is not a proportional system, when electoral support is evenly balanced between parties, the AV system is likely to stop one party having an overall majority when the votes do not justify that. I accept that when one party is particularly popular or unpopular, it can exaggerate the effect, but overall I would argue that the alternative vote system is more likely to lead to a result that reflects voters' wishes. That is certainly the case when the parties are more evenly balanced. It also has the advantage of keeping the constituency link, which I think is important, and, as has been said, it takes away the need for people to vote tactically. They can vote as they want to in a particular constituency for a particular election.

As I have said, the alternative vote system is not a proportional system. That is why I support some form of additional member system, such as those used in Germany, Scotland and Wales and that recommended in the Jenkins commission's report. That is why I tabled an amendment in those terms that, unfortunately, will not be voted on tonight.

As some form of additional member system is not on the agenda tonight, I am happy to support the Government's proposal for a referendum on the alternative vote system. As it is moved prior to the election, it might become law by the end of this Parliament. There is an assumption that it will not become law, but it will not become law only if there is obstruction to the proposal by the other place, if it passes through this House. I hope that all parties will see the benefit, if this House so decides, of supporting the opportunity of giving voters a choice in a referendum.

Dr. William McCrea (South Antrim) (DUP): Will the hon. Gentleman tell the House where the demand for this electoral change is coming from? Why are we dealing with it at a time when the life of this Parliament is running out? Why is it urgent now?

Mark Lazarowicz: A referendum would of course take place at some stage before 2011. My position is clear—I support a move to a fair electoral system. I would have liked it to have been proposed earlier, but better late than never. I certainly would like to see it go forward at this stage.

Mr. Mark Harper (Forest of Dean) (Con): I am finding intellectual inconsistency in what the hon. Gentleman is proposing. From his point of view, I can see the merit, as shown by his amendment, in moving from AV to a top-up system, but given that we will not be voting on that and that he has said that he will support the Government, it seems to me that the alternative vote does not fulfil any of the requirements that he has just set out about being more proportional or fairer. I am at a loss to understand why he will still support it.

Mark Lazarowicz: I sought to express—perhaps not clearly enough for the hon. Gentleman—that I think that the proposal has some advantages. I also believe that overall it would be more likely to lead to a fairer result. It means, as I have said, that MPs would have a stronger mandate in their constituencies, which is important. I also support a move towards an AV system, because, bluntly, I feel that if we move towards that system, we will in due course move further. I think that we will move to an AV-plus system once we have opened the door and had the debate. I believe that we will move in due course to a more genuinely proportional system, which I would welcome and would like to see introduced.

Of course, another amendment will be voted on, which is that proposed by the Liberal Democrats. It would introduce a single transferable vote system. That is a position that has some attractions for those who want to move towards a proportional system, if AV-plus is not on the agenda. However, my experience of the way in which STV has worked in local government in Scotland leads me to believe that it would have many drawbacks as a system, if it were to apply here in the UK. It does not lead to the rather idyllic picture that we have of voters choosing between the candidates of different parties—voting in a primary, as it were.

The Scottish situation shows us that in most cases in local government, one of two things has happened. First, when one party is able to get more than two members elected under the STV system in a local government ward, the strongest argument in a candidate's favour is not how they behave as a member but whether they are called Anderson or Young. In 90 per cent. of the cases in which two members were put up by the same party but only one was elected, it was the one whose name began with the letter that came earlier in the alphabet who was elected rather than the one whose name came lower down the alphabet.

Mr. David Heath (Somerton and Frome) (LD): Does the hon. Gentleman accept that that also happens in multi-member first-past-the-post council elections? I have seen it happen many times that someone whose name is earlier in the alphabet gets elected, while their colleague further down the list does not.

Mark Lazarowicz: Indeed, but the effects would be much smaller in a first-past-the-post, or first two-past-the-post, system than in an STV system, as I think the hon. Gentleman would accept if he examined the way in which that system works.

Another situation applies in Scotland that is relevant with a three-party system, which we have in most parts of the country, and with a four, five or even six-party system, which we have in some places. Instead of putting forward two candidates to give voters a choice, political parties put forward only one because they know that they will get only one in, and they do not want to risk neither candidate getting in because of some accident in the voting system. As a result, most members' seats are safer under the STV system than under the previous system. Let me give an example. My local government ward in Edinburgh has four councillors—in order of votes, a Labour member, a Scottish National party member, a Liberal Democrat and a Green. If either the Conservatives or Labour were doing particularly well, they might displace the Green and get the last seat, but

three out of those four seats will almost certainly be held by Labour, the SNP and the Liberal Democrats for ever, because whatever those members do, they will not lose their seats as long as they keep with their party.

The argument about the STV and giving voters a choice between candidates in the same party might well apply when there are large numbers of candidates for particular seats, or where there are not two, three, four or five-party systems, but I urge the Liberal Democrats and any Labour Members who support the STV system to look at how it works in Scotland. They will find that it does not bring the democratic advantages that they think it does. For that reason, I will not support the proposal for an STV system today. I hope that the proposal for AV goes forward today and that it will be a move towards a fairer and genuinely democratic system—a true system of proportional representation for election to this House.

8.45 pm

Pete Wishart: I rise not to support this modest measure, but to mock and disparage it. Of all the electoral reforms that this Government could have brought forward, these are about as modest and timorous as any Government could propose. Let me be clear: as we have heard in many fine contributions to the debate tonight, the proposals would do nothing to improve proportionality and would not bring us any closer to delivering or securing fairer votes. As I said in my intervention on the hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff), who is no longer present, the proposals would instead act against smaller parties. There is very little chance of smaller parties such as the Greens or the UK Independence party securing anything like 50 per cent. of the vote, so an AV system would not be in their interests, but they might sneak into a constituency at the next general election with 25 or 26 per cent. of the vote in a first-past-the-post system. There is no way that they will get more than 50 per cent. of the vote, so AV will in no way practically assist smaller parties.

However, we will support the measure, even though it is one of the most modest and timorous electoral reforms that the Government could have proposed, because it will give individual electors in our constituencies greater choice. It will empower them that little bit more and will allow them to make positive choices about how they vote, and we will support them in all of that. We will also support the measure because it gives the—perhaps misguided—impression that this is one of the first steps along a road of greater electoral reform. I note that some Labour Back Benchers—not many have contributed to the debate, although many have commented in the press—have said that they believe this change to be a start on the slippery slope to full PR and constitutional reform. It is worth supporting solely on that basis.

As a number of Members—most notably the hon. Member for Edinburgh, North and Leith (Mark Lazarowicz)—have said, we in Scotland have got used to electoral reform. We have had full electoral reform: we have the additional Member system for the Scottish Parliament and an STV system in local authority elections. Both of those systems deliver fair votes and are totally proportionate. As the hon. and learned Member for Beaconsfield (Mr. Grieve) said, a lot of guff has been spoken here tonight about Scotland. There have been no complaints about our system of PR in elections to the Scottish Parliament, except perhaps from Labour Back Benchers from Scotland who lament the fact that they are losing their presence—their vast, incredible Labour majorities on a minority of the vote. They lament the fact that proportional representation has come to Scotland, and they continue to deride and decry our system of proportional representation in the Scottish Parliament.

The hon. Member for Edinburgh, North and Leith was obviously right to mention some of the shortcomings and shortfalls of STV in local authority elections, but he would have to concede that local councils in Scotland now reflect how votes are cast. People from Edinburgh to Shetland see local authorities that represent how they have voted. That is a vast improvement in the town halls, which were dominated by Labour members who won an absolute minority of the votes.

Daniel Kawczynski: The hon. Gentleman speaks in favour of proportional representation, so does that mean that he was happy for the Scottish minority Government's budget to be held up by just two Green MSPs?

Pete Wishart: With all due respect to the hon. Gentleman, it was not held up by just two Green MSPs. It was held up by the Labour party, the Liberal party and two Green MSPs.

One of the benefits of the proportional representation system in the Scottish Parliament is that it has given the Conservative party influence in Scotland. It has been able to say—consistently and probably with some justification—that it can influence some of the Scottish Government's actions and decisions. That is how minority government works. It is a good and positive thing. It should be embraced. All the claims about majoritarianism and the need for absolute majorities in Parliament ignore the positive influence that smaller parties can secure, which can be a good thing. The argument is always about how we must have overwhelming majorities in this House, yet that is what we have had for 13 years and what has been the result? Has the legislation that the Government have produced taken us forward? I would argue for a coalition Government or a minority Government any day, if that were able to deliver real results.

It is an outrage that the first-past-the-post system in Scotland means that Labour can secure almost 70 per cent. of Scottish MPs on something like 40 per cent. of the vote. The alternative vote system will not do anything to address that electoral abuse, or to make it possible to have real contests in individual constituencies.

I am interested in the whole concept of referendums, because we have been trying to have a constitutional referendum in Scotland for the past two years. We have wanted the Scottish people to have a choice about their future, but we have been told that that was not possible or desirable. It was claimed that giving the Scottish people a choice about the nation's future would cause the sky to fall in and lead to Scotland's instant demise.

The Labour, Liberal and Conservative parties have all resisted the option of allowing Scotland a constitutional choice about its future. The most fundamental reason given—and it has come from every Labour Member, from the Prime Minister down— is that we cannot have a constitutional referendum because of the recession and the economic downturn.

[Pete Wishart]

However, all that is put aside when it comes to the modest constitutional referendum being proposed tonight. It is not even an issue, or anything to be concerned about: we can go ahead and have the referendum. I am sure that, when they watch this debate, the Scottish people will be able to see through what is going on. They will see that the Labour party is happy to have a constitutional referendum on a proposal that is no more than a modest, timorous little piece of constitutional tinkering, but that it is not prepared to give them a real choice about the future.

I was out canvassing in Perth, like most hon. Members—although by that I do not mean that others have been canvassing there, at least I hope that they have not. I do not think that one person came up to me and said, "The big thing that I am interested in, Mr. Wishart, is more choice in my constituency. I am really fascinated by what the Prime Minister had to say about the alternative vote system." Nothing like that happened, but what people do still ask is, "When are we getting a referendum in Scotland? When are we getting our choice?"

It may be true that not everyone wants Scottish independence, but up to 60 per cent. of the Scottish people want to have their say in the future of Scotland and how our nation should go forward. Why is it all right, therefore, to have a constitutional referendum on this modest proposal but yet deny the Scottish people the real choice about their futures?

We will support this modest proposal tonight, for the reasons that I have set out. We will not play the same game as Labour and say that we will get in the way of the referendum. I believe that it is right for Governments to allow people to have a choice on these issues. I respect the Government's decision to put the referendum to the UK people, but I just wish that the Labour, Liberal and Conservative parties would allow the Scottish people to have the same choice about their future on a much more important question. This is all about trusting the people. I am prepared to trust the people with the Government's proposed referendum on AV. Why do the Government not trust the Scottish people with the constitutional future of the nation of Scotland? One rule applies in this situation; it should apply across the board.

Mark Durkan: Several hon. Members have spoken about fairness and proportionality, and on that basis I support the Liberal Democrat amendments. People have referred to the Irish example, and I am very familiar with the electoral system in the Irish Republic and the similar—although until recently not exactly the same—version of the single transferable vote system that we have in Northern Ireland. The Irish people mandated that system for us when they voted for the Good Friday agreement, which promised that the Northern Ireland Assembly would be elected on the basis of STV for the very good reason that people wanted it to be fair, inclusive and proportionate. So I have strong sympathies with the Liberal Democrat case.

When it comes to council by-elections in Northern Ireland, Dail by-elections in the south and the election of the Irish President, STV morphs into and, in effect, runs as an alternative vote system. It stands out as a very good thing when it comes to electing a key figurehead, such as a national President, because people want the person who embodies, and is meant to epitomise, the values and spirit of their country to have the clear endorsement of at least a majority of its citizens. The alternative vote system, as a result of STV, has those benefits, but I am realistic enough to know that the real issue tonight will not be about the single transferable vote and first past the post.

In many ways the real issue is not even about an outright choice between the alternative vote and first past the post; it is about whether, in principle, there should be a referendum that at least puts the choice before the public. Parliament has been embarrassed not just by the facts of the expenses scandal, but by the ridiculous fact that none of us has been able to explain or excuse outright, first, how information was suppressed for so long, then, how things were handled and mismanaged and, even now, the confusion about what reforms there will or will not be. Parliament voted for an Independent Parliamentary Standards Authority and received the Kelly report, but now there is confusion about which measure stands, which will be revised and which will not. So at a time when we as a Parliament are open to ridicule, it is the height of arrogance for us to decide that the public should never have the right to say, "There might be a better way of electing people to Parliament so that MPs might have a bit more credibility after all this."

The hon. Member for Cannock Chase (Dr. Wright) said that we have to decide what Parliament is for—why we elect MPs. It is not just for us to decide why people elect Parliaments, however; the public can decide. If the public are given a referendum on such an issue, they will have a say on the quality of the mandate that they want their MP to have. The public will have a right to say whether they are able to trust themselves to express an honest first preference and considered second and third preferences, or whether, for their own ideological reasons, they just want to plump for one candidate.

We should give the public the choice to have that choice, rather than say that they cannot cope with it. Some Members cannot cope with choice because they cannot cope with filling in forms and justifying things, but that does not mean that the public cannot cope with clear and honest choice. So long as we have the first-past-the-post system, electors will be locked into situations in which they have to calculate possible tactical votes while being browbeaten by all sorts of propaganda about who is the only person capable of defeating another party. People are often misled: they do not cast their honest preference and support parties with particular policies; they surrender their vote on the purely negative ground of trying to prevent somebody else from being elected.

Rather than putting things in the hands of those who come up with the best propaganda and the most misleading graphics on electoral trends, surely it is much better to put things in the hands of honest voters—not the dishonest spin merchants working on behalf of political parties. We should make sure that the election of an MP is not decided by the people who control all the party lists and manage things. We should make sure that the overall election outcome is not decided by the parties' targeting of swing voters in the battleground constituencies, who become the only people to determine elections.

9 pm

I have heard a lot from Conservatives about how under the alternative vote system everybody's vote is not the same and how it means that those voting for small parties end up having a bigger say than those who vote for big ones, but that is not true, because everybody's vote counts equally in the end. The people supporting a system with unequal voting are those who defend first past the post, under which the election will be decided by a very small fraction of targeted swing voters spread throughout the UK in marginal constituencies. Let us be honest about some of the arguments being made.

I have a particular reason for wanting to move to a more proportional system; if the only one effectively on offer is the alternative vote, I shall vote for that this evening. My reason is to do with the experience in Northern Ireland. When we negotiated the Good Friday agreement, one of the things that some of us did, late in the negotiations—particularly when the then Prime Minister Tony Blair was present—was to argue that we also needed a different electoral system for the Northern Ireland seats at Westminster.

We argued that on the grounds that, if we were to make the power-sharing Assembly work and to make inclusion work, and if we were to create a new political ethic, we would not have very much success if every time a Westminster election came along we were convulsed back to sectarian impulses—having to vote orange or green. The thinking would be, "Which Green candidate is most likely to beat the Orange one?", or, "Which Orange candidate is most likely to keep out the Green one?"

In Northern Ireland, we still find ourselves constantly drawn and sucked back to those sectarian, tribal instincts. Some of us are committed to trying to allow politics to move on and to bringing about the emancipation of a new political ethic in Northern Ireland; it will be bad for that project if we stay stuck with first past the post, which keeps us trapped in sterile arguments.

In the 2001 Westminster election, Sinn Fein ran an essentially geo-sectarian campaign of "greening the west". Some of us made the honest choice not to go into sectarian electoral pacts; we believed that the parties should stand on their own distinct principles and we were fighting our cause. My party suffered as a result of that principle, because the instinct was, "We have Unionist MPs in a number of constituencies in the west of Northern Ireland who represent only a minority of the electorate." That fact was deeply resented and led to people saying to us, "If you're not going to stand out of the way, sorry but we are going to bypass you and vote for Sinn Fein so that we can take the seats." That has not particularly helped the political atmosphere in Northern Ireland; it does not give voters a full and honest choice.

Now, the Conservative party says that it will come into Northern Ireland so that everyone, regardless of background, can vote for secular politics and for parties of national government. Of course, the Conservatives start off with a kind of "new force" axis with the Ulster Unionist party and then they seem to dabble in discussions about a more pan-Unionist pact that might be offered. The party is trapped in that situation, despite what might be its honest good motives; I do not know about those, but I am not here to cast doubt on them. The Conservative party finds itself dragged into that precisely because of the first-past-the-post system. If the party is honest and serious about coming into Northern Ireland and making a new, honest offer of its manifesto, the only way in which it will credibly do that is if it supports a change in the first-past-the-post system.

Sammy Wilson: The hon. Gentleman is a strong advocate for the proportional representation system, but he is over-egging his argument if he thinks that it is a way of moving away from people voting on the basis of a Unionist preference or a nationalist preference, given that the vast majority do not transfer between Unionists and nationalists even in a PR election. His other central argument was that having a more proportional system, or an alternative vote system, would increase the credibility of this place. Does he accept that the credibility of this place is not based on how people are elected but on how they behave once they are elected, and that therefore a change in the electoral system would make no difference?

Mark Durkan: I thank the hon. Gentleman for making that point, but I do not accept it. Our experiences in Northern Ireland so far have been in multi-seat elections where people generally transfer to various other candidates whom they think might stand a chance of winning. In elections to a single seat, transfers cross party lines much more; and we increasingly find in elections generally that there is a bit more transferring across the lines. However, electing an MP on the single-Member constituency model involves a significantly different relationship.

Why should MPs in Northern Ireland not have the incentive to be much more actively cross-community in their appeal and be able to stand on much more of a cross-community mandate? That would be to the good of politics in Northern Ireland, and it might add to the weight and credibility that MPs from Northern Ireland have in this House, instead of our just being seen according to the colour of our political faction with no other agenda or mandate behind us other than that we were lucky enough to scrape through because of how things worked out in our constituencies according to first past the post.

I believe that this is an important step. I cannot dissuade anybody from feeling scepticism or cynicism about the motivation behind proposing it now, but I see very positive opportunities in it. I hope that the Committee will vote tonight to show confidence in the electorate. If people are confident enough to trust the electorate with the first-past-the-post system, why do they not trust them with a referendum that would allow them to make a choice between that system and one that ensures that they have more control over electoral mandates, and where it is less to do with the luck—almost the electoral scratchcard—of first past the post?

Mr. Gummer: One could start by saying that there is a distinction between offering the public a choice and offering them a proper choice. I agree with the hon. Member for Foyle (Mark Durkan) that one should trust the public. Our complaint about the proposal is that it is a fraud, because it does not offer a choice that is in any way informed by a study, a concern, or a search for an alternative, but simply a choice between first past the post and AV. AV has never been adduced as a sensible alternative to first past the post in any independent

[Mr. Gummer]

inquiry that has been held, so there must be another reason for offering this particular choice. I do not always disagree with the hon. Gentleman's views, as he well knows, but it is not trusting the people to present them with a fake choice. This choice is being offered simply because it is convenient to the Government, not because it is something that the public want or can exercise.

There is no widespread demand for a change in the electoral system: there is widespread demand for a change in the way that this Parliament works, which is a wholly different matter. I might have had some sympathy with the Government if I did not know that they are not prepared to allow the House a proper consideration of the Wright Committee's report. If they were in the course of coming to the House to make real decisions about giving Back Benchers the opportunity to control the Executive in the way that we once did and could again, they would also be able to suggest that the electoral system might be improved. However, as they have consistently diminished the power of the House over 12 or 13 years, they cannot be taken seriously if, in their dying days, they suggest that we should have a different system of election.

This Government are the reason for much of the disillusionment in the nation. Under the word "modernisation", they conned a new generation of Members of Parliament into giving away the very mechanisms that enabled the House to keep the Executive under control, at least to some extent. That started with the guillotine—the demand that we should at all times ensure that every Bill was controlled by the Government. That has been serious, because it has meant that no Bill has been properly debated in this House since. Without the unelected second House, there would not have been proper consideration of a whole Bill in any circumstance.

In addition to that, the Government have insisted that we should have a system that not only has a guillotine but that increasingly uses secondary legislation as a mechanism of avoiding discussion in the House. If we changed that, which the Wright Committee has suggested ways of doing, we would be much more in touch with what the public want than we are in any discussion about electoral reform.

However, let us for a moment suggest that we might need electoral reform. I oppose referendums in any circumstance except this one. A referendum is an unsuitable way of making any decision in a parliamentary democracy. I have voted against it, and I believe my party is foolish to have taken it up. It seems to me to be a mechanism that is both foreign in invention and foreign to our system, but it has always been said that if we want to change the electoral system itself, there has to be a mechanism by which we return to the public. I therefore do not object to the referendum as a concept in this case, but I do object to conning the public. What do I say to them? I say, "You are going to have a choice not between proportional representation of one sort or another and first past the post, but between the disproportional first past the post and the more disproportional AV." That is not a choice; it is a ridiculous offering that could be given only by a Government who are cynical in the extreme.

I am very sorry about the two poor, pathetic Ministers who have to defend the Government, because both of them are decent and know perfectly well that in a real world they would never be making this argument. The Minister of State, the right hon. Member for North Swindon (Mr. Wills), will do his best, of course—that is his job and he will feel that he has to. However, he knows perfectly well that it would be honest to get up and say, "We are going to give an offering between one system and another," but that it is not proper to put forward something that has only one object—to benefit the Government, or the party that the Government hope to entice into coalition if they are in a position to do so. That is what this is about, and we know it. The Minister may smile happily, and he is a genuine and decent man, but if he thinks he can find more than five independent people outside here who have not sussed that out, he will be lucky. Nobody in the country believes that this suggestion has been made for other than mere cynical political reasons. That is the fact. No amount of spin, talking among themselves or discussion will lead anybody outside to believe that this measure is anything other than another cynical move by a very cynical Government.

Mark Durkan *rose—*

Mr. Gummer: I give way to an uncynical Member.

9.15 pm

Mark Durkan: I thank the right hon. Gentleman uncynically for being so generous. He is suggesting that Ministers do not believe the arguments that they are making. Does he believe the argument that he makes—that the referendum is wrong because it will offer a choice not between PR and first past the post, but between only AV and first past the post? If he really believes that argument, will he therefore vote for Lib Dem amendment (b)?

Mr. Gummer: No I will not—*[Interruption.]* No. I will not do so because I do not believe in proportional representation, and I am now going to explain to the hon. Gentleman why it is wrong.

One must begin with the assumption that no electoral system is perfect. We must also say that the electoral system in a parliamentary democracy is to elect both a Parliament and a Government. One must therefore balance the need for proportionality and an exact mathematical reflection of votes cast, and the need for a Government with a firm mandate. The first-past-the-post system has a huge advantage, because it means that there are coalitions before, rather than after, elections. I therefore believe that that system is more democratic than any system of proportional representation, because voters know precisely what they are getting.

A Conservative voter votes for a range of people, from me to a number of my colleagues who are rather more to the right; and a Labour voter knows perfectly well that they are voting for a coalition that stretches in a different direction, but which gets quite close in the middle. Liberal Democrat voters have no idea what they are voting for—and they are the sort of people who do not mind that. I have therefore always thought that the Liberal Democrats are the one party that have no right to talk about the electoral system, because what they propose is determined by where in the country one lives.

Sir Patrick Cormack: It is a lucky dip.

Mr. Gummer: Indeed it is. Liberal Democrat voters in my constituency vote for a totally different policy from Liberal Democrat voters in the constituency next door. People know perfectly well that the policy will be dictated by how many people they think they can get to vote on any subject. Sometimes that varies from ward to ward, sometimes from street to street, and I have noticed that it sometimes varies from house to house. As a friend of mine said to me on the doorstep, "The choice here is between Conservative and Liberal Democrat. If God had been a Liberal Democrat, He would have offered us the ten suggestions." Of course, that is true. The trouble and the difficulty is that not only would He have offered my friend ten suggestions, He would have offered his neighbour ten different suggestions.

The Liberal Democrats talk about electoral systems. In every election but one, when I beat them to it, they have put out a letter in my constituency saying, "Only the Liberal Democrats"—

The First Deputy Chairman of Ways and Means (Sylvia Heal): Order. I am sure that the right hon. Gentleman will get back to looking specifically at the proposals before us. I understand the points he is making, but perhaps, because of the time, he will now do so.

Mr. Gummer: Of course, I obey exactly what you say, Mrs. Heal, but the Liberal Democrats have in this debate taken a holier-than-thou position on the electoral system. I am merely pointing out that they are in no position to do so, but I will move on.

There is a great argument that most PR systems suffer from a notably unfair mechanism. I raised with my right hon. and learned Friend the Member for Folkestone and Hythe (Mr. Howard), the former leader of the Conservative party, the question of the German system. In Germany, the Free Democratic party has an almost perpetual lien on being Foreign Secretary. That is an arrangement. Herr Genscher was Foreign Secretary for so long that he could not remember whether the world was different when he started from the way it was when he finished, because it had been such a long time. Germany is back in that kind of politics again now.

That is all very well, but it means that the Free Democrat voter has more power than any other voter in that system, so it is not fair. The trouble with the AV system, as with many others, is that it means that those who vote for a minority party have, in effect, two votes. It is no good saying that they do not. If I vote for a majority party, I have only one go at it. The person who votes first for ridiculous parties such as UKIP has another vote, and no doubt votes for the Liberal Democrats. I understand that if Liberal Democrat voters are polled, there are proportionally more anti-Europeans among them than in any other of the major parties. Suppose the person votes for the Liberal Democrats. They do not win, so the voter still has a chance to vote Conservative or Labour.

Hugh Bayley: It is very kind of the right hon. Gentleman to give way, but he has got the mathematics wrong. In the first round in the circumstances that he describes, the Conservative voter has one vote, which goes to the Conservative party. The Lib Dem has one vote, which goes to the Lib Dems. If the Lib Dem candidate is eliminated, in the second round, that vote may go to some other candidate, and in the second round the Conservative voter still gets one vote and it goes to the Conservative candidate.

Mr. Gummer: The Conservative voter has the same vote in both rounds, whereas the other voter is able to change his vote. That means he has two votes. *[Interruption.]* I am very sorry. The hon. Gentleman can make his point as much as he likes, but the fact is that one chap has two chances to decide and the other chap has only one chance to decide. [HON. MEMBERS: "No!"] Look, in the House of Commons it is always perfectly reasonable to say that there are two ways of looking at the mathematics, or we would never have passed any of the Government's Budgets.

One can say, "It's really one because it's sort of the Conservative voting Conservative twice." In my view, one person has a series of different choices and the other has one choice, and he cannot go back and say, "In the end, I'd rather like to have done it a different way," so he is in a different position.

Mr. Straw: I am grateful to the right hon. Gentleman. I am enjoying his speech, and he will wish to know that his description of his opponents chimes a few chords on the Government Benches. Let me correct him, if I may. In his example, the Conservative voter and the person whose first preference was knocked out and who went for a second choice both have the same number of choices. This is a serious point. If there were an eliminating ballot, of the kind that all the parties have used, and the right hon. Gentleman were lucky enough to get a plurality of the first preferences whereas Straw was knocked out, on the second ballot Straw supporters would have to decide who to vote for. So would Gummer supporters. Gummer supporters would carry on voting for Gummer. Straw supporters might decide to vote for Gummer. In both cases two votes have been exercised.

Mr. Gummer: I do not want to go into this too far, because I think the Chair would stop me. The right hon. Gentleman gets it wrong. If there is a sequential vote, as there is in his example, the Gummer supporters can say, "I'm not quite so sure. I don't think my chap is going to win if it goes on like that. He is only a couple of votes ahead of Straw." Because the Gummer supporter is able to vote again, he may vote for Cormack. We had a vote in the House not long ago in which that was precisely what many Members did. It is a different system and not one that I am proposing. I am merely saying that the sequential system is fundamentally different and fairer than the AV system.

I know that others want to speak so I shall conclude my remarks. I am sorry that there are now only three Liberal Democrats in the Chamber, as I have more to say about their approach to the new clauses that we are discussing.

The Liberal Democrats have said that they are going to vote for AV even though they accept that it is no more proportional—indeed, it may be less proportional—than first past the post, because it is baby steps towards proportional representation. That is a very suitable phrase for the Liberal Democrats. I ceased to be a liberal at the age of 11—I grew out of it—and that is one of the issues here. The point about the Liberal Democrats is that they will do anything to change the

[Mr. Gummer]

system, because the present system does not do them the justice that they feel they should have. They would even move from first past the post to a less fair system so that they get more votes. What kind of principle is that?

The Secretary of State said that this is a matter of principle. I have heard no principle from those who support these new clauses. Therefore, I hope that the Committee will consider four points. First, there is a fundamental difference between reform and change. The Secretary of State has been talking about change as if it were reform. If he were bringing this change forward alongside the Wright Committee recommendations in a manner that enabled the House to discuss and vote on them properly, we might believe in the reform agenda, but there is no motion before us to stop automatic guillotines, for example, or to provide that we will sit for as long as it takes properly to discuss issues. There is no motion to require 100 hours in Committee before a guillotine. All those suggestions would keep the Executive under closer control. We cannot apply the word "reform" to a move from first past the post to something that is less fair and more complex.

The second point is that those of us who are passionate supporters of the European Union, as I am, have gone to great trouble to look at the systems of our neighbours. It would be good if we had a more common approach. However, none of them has a system that I would swap for ours. The disadvantages in every other country are clear, and I shall give one example. If anyone knows a Dutch MP, they will know that he is elected under a perfectly proportional system, but has no interest in a constituency, because in order to be perfectly proportional the system can never be constituency-based.

The third point is that decisions on constitutional matters taken for party political reasons are always bound to fail—apart from also being fundamentally wrong. Parties of all kinds have tried it, and all of them have discovered that it don't work.

The last point—

Frank Dobson (Holborn and St. Pancras) (Lab): Will the right hon. Gentleman give way?

Mr. Gummer: As the right hon. Gentleman has not been in his place for the debate—

Frank Dobson: I was watching it in my office.

Mr. Gummer: Well, that is one of the problems of this House. When we voted for television, we foolishly did not say that it should not be put in Members' offices, so that they would have to come into the Chamber to hear a debate. That is another change that the Government might introduce as a reform—

The First Deputy Chairman: Order. That is definitely a debate for another day.

Mr. Gummer: Let me finish then. My last point is again addressed to the Liberal Democrats. In the past, they have had a majority in this House. Did they come forward with proportional representation then? Were they keen on making everybody happy with equal votes? Did they give the nascent Labour party the opportunity to have a proper reflection of the number of votes it won? No, they did not. While they had power under the first-past-the-post system, not a word of such a reform passed any of their lips. This question only comes up in the House when a party thinks that it can get something out of it, and if anybody thinks that that is reform, rather than change, they should think again.

9.30 pm

I say to the Lord Chancellor, a man whom I respect and honour—he always knows that that probably means that the next sentence is not going to be as polite—that he cannot help to regain the trust of the people in Parliament by proposing a change that every independent commentator has said is entirely for cynical, party political reasons. No one believes him. No one outside the House thinks that it would have been brought forward had the Prime Minister not thought it was good for him and his party. It would not have been brought forward if the Prime Minister held high views of his responsibility towards Parliament and the people, instead of some of the lowest views of any Prime Minister in our history.

Several hon. Members *rose—*

The First Deputy Chairman: Order. I advise right hon. and hon. Members that the winding-up speech, I understand, will commence at 9.50 pm. I would like as many Members who rose as possible to make a contribution to the debate. I leave hon. Members to do the maths themselves so that that can take place.

Hugh Bayley: We have heard this afternoon a lot of party political advantage masquerading as high principle, but nobody has done it better than the right hon. Member for Suffolk, Coastal (Mr. Gummer). I do not buy the argument that the public are not interested in how we, as Members, are elected to this place. I think that, at the next general election, there will be two key questions. The first will be on the trust that the public have in us, as Members, and in the House and Parliament as institutions. Secondly, they will be interested in accountability—how they, as the public, can make Members of Parliament, especially those in safe seats, more accountable to the electorate. That is why the public are pressing for things such as primaries to select candidates, the recall of Members, greater transparency through the publication of expenses and Members' commercial interests.

I believe that the alternative vote increases accountability, because it encourages Members of Parliament and candidates to listen to, and seek to gain second preference votes from, supporters of other parties. For a long time—more than 20 years—I have been a member of a Labour campaign for electoral reform, and I used to argue for proportional representation, but I have to say that I have been won over to the case for the alternative vote, principally because it preserves the constituency link, which I believe is a key issue as far as accountability is concerned.

Over the past decade and more, we have introduced non-first-past-the-post voting systems for a number of institutions, including the additional Member system for the Scottish and Welsh Parliaments. Twenty years

ago, I would have favoured that system, but I do not think that it has worked particularly well because it has broken the constituency link and encourages bickering between parties. For example, there might be two MSPs from different parties claiming different mandates from the same group of people.

The party list system, which the House approved for the European Parliament, like STV, which the Liberal Democrats support, uses multi-Member constituencies that are so big that they break the link between the constituent and the Member of Parliament, leave the public unclear about who represents them and, as we saw at the last election, allow extremists, such as the British National party, to be elected when they have nothing like the support of a majority of members of the public.

The London Mayor—I say this nervously, with my right hon. Friend the Member for Holborn and St. Pancras (Frank Dobson) sitting behind me—is elected by a modified form of the alternative vote. That system has worked quite well. Over three elections, we have had three changes. We had an independent Labour Mayor elected, a Labour Mayor elected and a Conservative Mayor elected. That shows that the alternative vote does not lock in an unfair advantage to the left or the right, or to the two largest parties at the expense of others.

Opponents of electoral reform ask, "Why bring the proposals forward now? What has changed?" Three things have changed. First, there is greater public mistrust in the system than ever before. Secondly, there has been a fragmentation of the vote. In 1951, 582 MPs—94 per cent. of the total—won with an absolute majority, with more than 50 per cent. of the votes in their constituencies. By 1979, when Margaret Thatcher came to power, the proportion was down to 68 per cent. By 1997, in Blair's landslide, the figure was down to 53 per cent., and at the last election it was down to 34 per cent. Barely one third of the Members of this House enjoy the support of a majority of their voters, let alone a majority of those living and entitled to vote in their constituencies.

The first-past-the-post system works fairly well in a two-party race and reasonably fairly in a broadly two-party system, but the United Kingdom no longer has a two-party system. We have three broadly left-of-centre parties: the Labour party, the Liberal Democrats and the Green party. In addition, we have two broadly right-of-centre parties—the Tories and the UK Independence party—and some other parties too, which are represented in the Chamber this evening.

In York in 1987, which was the first time I stood, there were four candidates. In the last election there were eight candidates. There has been a fragmentation of the political parties, too. In 1987, I lost the election by 147 votes. The Green party took 637 votes. The Liberal Democrats, who had a particularly strong candidate—a Social Democratic party candidate, as he was in those days—in the form of the person who is now the hon. Member for Twickenham (Dr. Cable), took 9,898 votes. I would not be human if I did not wonder whether I might just have scraped ahead if those votes had been redistributable to other candidates. The same question occurs to Conservatives who lose by a whisker because their vote is split by UKIP or some other right-of-centre party.

In a constituency where 40 per cent. of the voters vote for candidate A and 40.1 per cent. vote for candidate B, should not the remaining 20 per cent. of the electorate have a say over whether A or B should represent them? [Hon. Members: "No."] We are hearing the self-interest now. Under first past the post, everyone in that 20 per cent. is disfranchised. They have no say one way or the other between the two leading candidates. The alternative vote would enfranchise them. As the hon. Member for Foyle (Mark Durkan) argued so eloquently, the public have the right to decide whether they want to make a change. We should put our trust in the public and have a referendum on the issue.

Mr. George Galloway (Bethnal Green and Bow) (Respect): Like the hon. Member for City of York (Hugh Bayley), I am a long-time member of the Labour campaign for proportional representation. Indeed, I am still a member, although not a member of the Labour party. *[Interruption.]* I know, that's me expelled now—I have blown it. I was a member of the campaign when the late Robin Cook was its chairman. Imagine my surprise to learn that the hon. Gentleman has been won over by the Government's position, thereby leaving us.

Like the hon. Member for Foyle (Mark Durkan), I came here this evening to support amendment (b), standing in the name of the Liberal Democrats, although I almost lost the will to live as we approached the 50th minute of the speech by the hon. Member for Cambridge (David Howarth). I have sufficiently woken up that I will still vote for that amendment. However, in extremis, like the hon. Member for Foyle, I will support the Government, and for the same reasons: that what is proposed is a step forward and a slight improvement.

The Government are making a big mistake if they think that this little broom is going to sweep clean the Augean stables in this place. The labours of Hercules and the diversion of great rivers were required to cleanse the stench of those stables, and this little broom—this tiny little reform—will not do it. It will take far more radical proposals than this Government are likely to introduce to restore public trust in this place, and far more than have been canvassed in this debate, which, I am sorry to say, has been characterised by a complacent, joking, student debating society approach. *[Interruption.]* Well, it has. I have sat here for six and a half hours, shaking my head at the complacency on view on both sides. Members have no idea of the contempt out there in the country for the kind of debate and debating styles that have been on display this evening.

The reforms that we need in this place are beyond the reach of the existing Members of the House of Commons. That is why we urgently need a general election as soon as possible. We need to change the way in which we approach all our politics, and in my view, that includes retiring this very building. We need to acknowledge that it has become a museum—

The First Deputy Chairman: Order. In the time that is remaining, I hope that the hon. Gentleman will confine his remarks to the new clause that is before the Committee.

Mr. Galloway: If I do—and I will—follow your injunction, Mrs. Heal, I shall be practically the only Member in the entire debate to have done so. We have covered Scottish devolution, Lloyd George, and the whole of 20th century history, all in that lazy, complacent way. But I shall—

The First Deputy Chairman: Order. I have no doubt that the hon. Gentleman will do so. Whatever other people might have done, I am currently in the Chair, and I am suggesting that he confine his remarks to the new clause.

Mr. Galloway: How I wish that you had been in the Chair all evening, Mrs. Heal, as I have had to listen to all of it.

I am in favour of the kind of reforms that are beyond this House, but I shall confine my remarks to those that are not. That there is cynicism is obvious. The Government are in favour of a referendum on this—a voting system that no one in the country is talking about—but on nothing else. A referendum on the Lisbon treaty, which everyone in the country was talking about, was promised in the manifesto, but it was denied. But I risk straying again, Mrs. Heal.

I regret to say that my hon. Friend the Member for Edinburgh, North and Leith (Mark Lazarowicz)—with whom I was long associated, not least on this subject—painted a picture of a Scottish people unable to grasp the complexities of the single transferrable vote system. He insisted that whether someone's name was Anderson or Young had far more significance under the STV system in local government elections in Scotland than—

Mr. Hayes: On a point of order, Mrs. Heal. Having had to put up with a guilt-ridden, doubt-fuelled rant about Parliament, we are now having to endure a treatise on STV, which is not part of the new clause—[HON. MEMBERS: "Yes it is!"] I hope that you will bring this to an end, Mrs. Heal.

The First Deputy Chairman: The points that are currently being made are relevant to the debate.

Mr. Galloway: Yes, they are. I am supporting amendment (b). The hon. Gentleman—who has made at least six interventions, each one more bovine than the last—ought to have read the amendment paper more closely.

The single transferable vote system may or may not be beyond the voters in Edinburgh, but my experience of Edinburgh is that nothing is beyond them. It is certainly not beyond the voters of the Republic of Ireland who have developed that system into a fine art. It is as fine an art of political sophistication as is available anywhere in the western world. It is not beyond our people to grasp its complexities. Neither is it the case that one of the three Members for Dublin South is not regarded by the voters of Dublin South as their MP, nor that the MP for Dublin South does not regard himself as the MP for Dublin South because there are two other Members. That is absurd. The idea that this ossified system of ours—of "one Member, one constituency" of a given size—is a better system is foolish in the extreme.

9.45 pm

If we moved to the system in the Republic of Ireland, as we can do if we support amendment (b) this evening, things would change. But then, if things do not change, there is no hope for politics in this country. *[Interruption.]* I hear a sedentary intervention saying there is no hope for me. I have won five general elections, the first of which was against the great Roy Jenkins, who was prayed in aid by the hon. Member for Birmingham, Sparkbrook and Small Heath (Mr. Godsiff) earlier this evening. Roy Jenkins was the first pillar of the establishment I defeated; he was not the last, and there may be more to come. Don't bet the farm on that.

Roy Jenkins suggested to this Government more than 10 years ago that they could have grasped this nettle, yet they refused to do so for the same cynical reason that they are now grasping for it. If they had listened to Roy Jenkins and implemented the Jenkins commission report, the centre-left majority that exists is this country would be entrenched in power and the right-wing rump represented by these people here, who opposed votes for women, who opposed votes for working men—*[Interruption.]* They can laugh, but people know that the words democracy and the Conservative party do not easily fit together. This right-wing rump—*[Interruption.]*

The First Deputy Chairman: Order.

Mr. Galloway: This right-wing rump—for a variety of reasons that I have no time to develop—now stands on the brink of power, but they would never have been in power again if Jenkins had been listened to and electoral reform had been implemented. Do the maths; look at any opinion poll; add up the Labour and the Liberal and the Scottish and Welsh nationalists and Respect and other parties, and it is easy to see that there is a very clear centre-left majority in this country. What would be wrong with an electoral system that gave the House of Commons the actual levels of representation that the people had voted for?

My last words on this—[HON. MEMBERS: "Hooray."] Yes, they don't like it up 'em, Mrs. Heal. That is for sure—*[Interruption.]* Well, some of them do! My last words are that proportional representation is about giving people what they vote for. I have heard all sorts of asinine comments tonight about small parties being the prerogative for idiots. It was twice said that people who vote for the third or the fourth party are idiots. Well, that is a good way to increase their popularity, but those people have as much right to choose how this House of Commons looks like as any of those supporting what we increasingly less often can call the major parties.

Proportional representation is about giving people a House of Commons that reflects how they voted. What is wrong with a system that provides 10 per cent. or 30 per cent. or 50 per cent. of the seats in a Parliament if the party received 10 per cent. or 30 per cent. or 50 per cent. of the votes. What is wrong with that? I will tell you what is wrong with it, Mrs. Heal. It would put the iron-clad consensus that normally exists across this Chamber out of business—and that would be a good thing, too.

Mr. Wills: I think we have had a good debate. Amid all the arcane discussion of electoral technology, various important points of principle have emerged.

Before I turn to some of the detail, let me highlight three key points. Nearly all the Members who spoke touched on the question of partisan advantage in the different systems, and much play was made of extrapolations by various academics. I caution Members not to take voters for granted—voters tend to get the Government they want regardless of the electoral system that is in place—and I say to Members who are relying on professors

that even professors can be wrong. This issue must be treated as one of principle, or it should not be treated at all.

Secondly, there is the difficult question of which principles should be engaged. I am glad that the right hon. and learned Member for Folkestone and Hythe (Mr. Howard) is present. He rightly drew attention to the fungible nature of the term "fairness". I commend to all Members an admirable document entitled "Review of Voting Systems", which tries to assess the various voting systems according to seven criteria—proportionality, participation, the stability and effectiveness of government, the impact on voters, social representation, political campaigning and the impact on administration—and reaches very different conclusions.

There are strong, principled arguments on all sides of this debate, and we have heard them from both sides of the Chamber this evening. The Government have made it clear that our objective is to enhance the legitimacy of the system, and I was glad that, in a good speech, the hon. Member for Cambridge (David Howarth) said exactly that. Others may seek different ends from their electoral system, but that is what we seek.

Finally, let me deal with the question of who should decide the electoral system. In discussing our proposal, the Conservatives more or less exhausted the dictionary in seeking synonyms for scorn and contempt, but I remind them that all we are asking is for the British people to be able to decide. I fail to understand why that should excite such opposition from the Conservative party.

Richard Burden: The most important thing that the Leader of the Opposition said in his speech yesterday was, "Above all, power to the people." Why does my right hon. Friend think the Opposition find it so difficult to say that they and I, if we come to this place, should have the support of at least 50 per cent. of the people who vote in the election?

Mr. Wills: My hon. Friend has made a good point. I will suggest a possible reason why the Opposition take that view.

Despite several attempts, the hon. and learned Member for Beaconsfield (Mr. Grieve) failed to provide any compelling reason why a system that is good enough for the Conservatives to elect their own leader and good enough for hereditary peers to elect hereditary peers in the House of Lords—a system which, incidentally, the Conservative party voted to support just two weeks ago—should be so axiomatically bad for parliamentary elections that the British people must be denied a say in whether they want to elect their Members of Parliament under that system. It is, I am sorry to say, hard to avoid the impression that the Conservatives are operating solely and exclusively in pursuit of what they believe, probably wrongly, to be their partisan self-interest. *[Interruption.]*

The First Deputy Chairman: Order.

Mr. Wills: The vigour of the response that my words have elicited may demonstrate that I have struck a raw nerve. It is clear from new clause 99, which, sadly, we shall not have time to debate tonight—from now on it will be known as the gerrymandering clause—that that is precisely what the Conservative party is trying to do.

Everyone is in favour of cutting the cost of politics, and everyone is in favour of a fair distribution of seats—

Mr. Grieve: On a point of order, Mrs. Heal. Is it in order for the Government to guillotine debate to make it impossible for us to discuss this evening our proposal on new boundaries for constituencies, and then for the Minister to abuse the orders of the House by making a speech upon it in his reply to the Government amendments?

The First Deputy Chairman: That is, in fact, a point for debate and, as the occupant of the Chair, I am bound by the Standing Orders of the House that were agreed upon for this debate.

Mr. Wills: I will move on now, but I very much want to return to debate this subject—and, believe me, we will, because we want to expose exactly what the Opposition are trying to do through this new clause.

There were several distinguished contributions to our debate. I want to single out my right hon. Friend the Member for Birkenhead (Mr. Field), who rightly drew attention to the merits of open primaries. Shortly, I will explain exactly what I think the Conservative party is about, but I want to pay tribute to its pioneering efforts in this one area. There is a lot to be said for open primaries, and all of us should explore this further; it is about the fundamental reform of politics.

The absence of the hon. Member for South Staffordshire (Sir Patrick Cormack) from this House after the next election will be a great loss to Parliament. He made a point—he did so several times—about whether the Bill has any chance of success. I think he is making assumptions that he, as a most distinguished parliamentarian, should know it is unwise to make. We will see: Parliament should, and will, decide.

The right hon. Member for Suffolk, Coastal (Mr. Gummer) is not in his place at present, but he made an immensely entertaining speech. He asked why there was this choice between first past the post and the alternative vote. My right hon. Friend the Secretary of State made that clear: it is because we believe in majoritarian systems. We believe fundamentally in the importance of the direct link between the Member of Parliament and their constituency. This is simply a choice between two such systems. The right hon. Gentleman also asked a question about money, and I am sorry he is not present to hear that in this financial year and the next his area will receive an extra £92.3 million in NHS funding. I hope that might convince him of the merits of a Labour Government.

Everyone agrees that this country's democracy needs to be renewed in every area, and this Government are committed to that. We have cleaned up the scandal of parliamentary expenses so the abuses that took place can never take place again. We are committed to giving Parliament more power, and many of the measures in this Bill advance that. *[Interruption.]*

The First Deputy Chairman: Order. I apologise for interrupting the Minister, but the private conversations of Members who have recently arrived in the Chamber are far too loud. Those who have been here for this debate, as well as myself, would like to hear the Minister's reply.

Mr. Wills: Thank you, Mrs. Heal.

We are rightly putting forward through this Bill many measures to give Parliament more power. We set up the Wright Committee, and we will see through its recommendations. We are committed to bringing in recall of MPs. We are pioneering new ways of involving the public directly in policy making. This commitment to constitutional renewal is the context for these measures.

We all need to do everything we can in every area to enhance the legitimacy of our democracy with the people we all serve. The legitimacy of the electoral system is fundamental to that. There is clearly a case for enhancing that legitimacy and, as many Members have explained this evening, the alternative vote can do that by ensuring that every Member of Parliament comes to this place with the support, in some form, of a majority of voters. These Government proposals give the British people a choice as to how they want to elect their Members of Parliament. We should give them that choice and support these proposals.

Question put, That the clause be read a Second time.

The Committee divided: Ayes 365, Noes 187.

Division No. 77] **[9.59 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ian
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Cabom, rh Mr. Richard
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Galloway, Mr. George
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, rh Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harvey, Nick
Healey, rh John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kramer, Susan
Kumar, Dr. Ashok
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann

McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mulholland, Greg
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Purnell, rh James
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Robertson, Angus
Robinson, Mr. Geoffrey
Rogerson, Dan
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheerman, Mr. Barry
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, Dr. Richard
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Wareing, Mr. Robert N.
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Mr. George Mudie and Steve McCabe

NOES

Abbott, Ms Diane
Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Cameron, rh Mr. David
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Conway, Derek
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hopkins, Kelvin
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mundell, David
Munn, Meg
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John

Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Rowen, Paul
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Jeremy Wright and James Duddridge

Question accordingly agreed to.

Clause read a Second time.

Proceedings interrupted (Programme Order, 1 February 2010).

The First Deputy Chairman put forthwith the Questions necessary for the disposal of the business to be concluded at that time (Standing Order No. 83D).

Amendment proposed to new clause 88: (b), leave out 'an alternative-vote' in subsection (2)(a) and insert 'a single transferable vote'.—*(David Howarth.)*

Question put, That the amendment be made.

The Committee proceeded to a Division.

The First Deputy Chairman: I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The Committee having divided: Ayes 69, Noes 476.

Division No. 78] **[10.15 pm**

AYES

Alexander, Danny
Baker, Norman
Brake, Tom
Breed, Mr. Colin
Brooke, Annette
Browne, Mr. Jeremy
Bruce, rh Malcolm
Burstow, Mr. Paul
Burt, Lorely
Cable, Dr. Vincent
Campbell, rh Sir Menzies
Carmichael, Mr. Alistair
Clegg, rh Mr. Nick
Cousins, Jim
Davey, Mr. Edward
Durkan, Mark
Farron, Tim
Featherstone, Lynne
Foster, Mr. Don
Galloway, Mr. George
Gidley, Sandra
Goldsworthy, Julia
Hancock, Mr. Mike
Harris, Dr. Evan
Harvey, Nick
Heath, Mr. David
Holmes, Paul
Horwood, Martin
Hosie, Stewart
Howarth, David
Hughes, Simon
Huhne, Chris
Hunter, Mark
Keetch, Mr. Paul
Kramer, Susan
Lamb, Norman
Laws, Mr. David
Leech, Mr. John
Llwyd, Mr. Elfyn
Mason, John
Mulholland, Greg
Naysmith, Dr. Doug
Oaten, Mr. Mark
Öpik, Lembit
Pelling, Mr. Andrew
Pugh, Dr. John
Purnell, rh James
Reid, Mr. Alan
Rennie, Willie
Robertson, Angus
Rowen, Paul
Russell, Bob
Sanders, Mr. Adrian
Smith, rh Mr. Andrew
Smith, Sir Robert
Stunell, Andrew
Swinson, Jo
Teather, Sarah
Thurso, John
Webb, Steve
Weir, Mr. Mike
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wishart, Pete
Younger-Ross, Richard

Tellers for the Ayes:
Dan Rogerson and John Hemming

NOES

Abbott, Ms Diane
Afriyie, Adam
Ainger, Nick
Ainsworth, rh Mr. Bob
Ainsworth, Mr. Peter
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Amess, Mr. David
Ancram, rh Mr. Michael
Anderson, Mr. David
Arbuthnot, rh Mr. James
Armstrong, rh Hilary
Atkins, Charlotte
Atkinson, Mr. Peter
Austin, Mr. Ian
Austin, John
Bacon, Mr. Richard
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Balls, rh Ed
Banks, Gordon
Barker, Gregory
Barlow, Ms Celia
Baron, Mr. John
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Bellingham, Mr. Henry
Benn, rh Hilary
Benton, Mr. Joe
Benyon, Mr. Richard
Beresford, Sir Paul
Berry, Roger
Betts, Mr. Clive
Binley, Mr. Brian
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Blunt, Mr. Crispin
Bone, Mr. Peter
Borrow, Mr. David S.
Boswell, Mr. Tim
Bottomley, Peter
Bradshaw, rh Mr. Ben
Brady, Mr. Graham
Brazier, Mr. Julian
Brennan, Kevin
Brokenshire, James
Brown, rh Mr. Gordon
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browning, Angela
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Butler, Ms Dawn
Byrne, rh Mr. Liam
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Gregory
Campbell, Mr. Ronnie
Carswell, Mr. Douglas
Cash, Mr. William
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Kenneth
Clarke, rh Mr. Tom
Clelland, Mr. David
Clifton-Brown, Mr. Geoffrey
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Curry, rh Mr. David
Darling, rh Mr. Alistair
David, Mr. Wayne

Davidson, Mr. Ian
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davies, Mr. Quentin
Davis, rh David
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Djanogly, Mr. Jonathan
Dobbin, Jim
Dobson, rh Frank
Dodds, Mr. Nigel
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dorrell, rh Mr. Stephen
Dorries, Nadine
Dowd, Jim
Drew, Mr. David
Duddridge, James
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Ellwood, Mr. Tobias
Engel, Natascha
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Farrelly, Paul
Field, Mr. Mark
Fisher, Mark
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Fox, Dr. Liam
Francis, Dr. Hywel
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Gardiner, Barry
Garnier, Mr. Edward
Gauke, Mr. David
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, rh Paul
Goodman, Helen
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Griffith, Nia
Grogan, Mr. John
Gummer, rh Mr. John
Gwynne, Andrew
Hague, rh Mr. William
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hammond, Mr. Philip
Hammond, Stephen
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harper, Mr. Mark
Harris, Mr. Tom
Havard, Mr. Dai
Hayes, Mr. John
Heald, Mr. Oliver
Healey, rh John
Heathcoat-Amory, rh Mr. David
Henderson, Mr. Doug
Hendry, Charles
Herbert, Nick
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Hillier, Meg
Hoban, Mr. Mark
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Hood, Mr. Jim
Hoon, rh Mr. Geoffrey
Hope, Phil
Hopkins, Kelvin
Howard, rh Mr. Michael
Howarth, rh Mr. George
Howarth, Mr. Gerald
Howell, John
Howells, rh Dr. Kim
Humble, Mrs. Joan
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jack, rh Mr. Michael
Jackson, Glenda
Jackson, Mr. Stewart
James, Mrs. Siân C.
Jenkin, Mr. Bernard
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Mr. David
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Kawczynski, Daniel
Keeble, Ms Sally
Keeley, Barbara
Keen, Ann
Kelly, rh Ruth
Kemp, Mr. Fraser
Key, Robert
Khan, rh Mr. Sadiq
Kidney, Mr. David
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Knight, rh Jim
Ladyman, Dr. Stephen
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lammy, rh Mr. David
Lancaster, Mr. Mark
Lansley, Mr. Andrew
Laxton, Mr. Bob
Lazarowicz, Mark
Leigh, Mr. Edward
Lepper, David
Letwin, rh Mr. Oliver
Levitt, Tom
Lewis, Mr. Ivan
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Linton, Martin
Lloyd, Tony
Loughton, Tim
Love, Mr. Andrew
Lucas, Ian
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Malins, Mr. Humfrey
Mallaber, Judy
Mann, John
Maples, Mr. John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McCrea, Dr. William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McFall, rh John
McGuire, rh Mrs. Anne
McIntosh, Miss Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McLoughlin, rh Mr. Patrick
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mitchell, Mr. Austin
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mullin, Mr. Chris
Mundell, David
Munn, Meg
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Neill, Robert
Newmark, Mr. Brooks
Norris, Dan
O'Brien, rh Mr. Mike
O'Brien, Mr. Stephen
O'Hara, Mr. Edward
Olner, Mr. Bill
Osborne, Mr. George
Owen, Albert
Paice, Mr. James
Palmer, Dr. Nick
Paterson, Mr. Owen
Pearson, Ian
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prisk, Mr. Mark
Pritchard, Mark
Prosser, Gwyn
Rammell, Bill
Randall, Mr. John
Raynsford, rh Mr. Nick
Redwood, rh Mr. John
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, rh John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Robinson, Mr. Geoffrey
Rosindell, Andrew
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Scott, Mr. Lee
Seabeck, Alison
Selous, Andrew
Shapps, Grant
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simmonds, Mark
Simon, Mr. Siôn
Simpson, Alan
Simpson, David
Simpson, Mr. Keith
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*

Smith, Chloe
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soames, Mr. Nicholas
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spink, Bob
Spring, Mr. Richard
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Straw, rh Mr. Jack
Streeter, Mr. Gary
Stuart, Ms Gisela
Stuart, Mr. Graham
Sutcliffe, Mr. Gerry
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tami, Mark
Tapsell, Sir Peter
Taylor, Ms Dari
Taylor, Mr. Ian
Taylor, Dr. Richard
Thomas, Mr. Gareth
Timms, rh Mr. Stephen
Timpson, Mr. Edward
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Tredinnick, David
Trickett, Jon
Truswell, Mr. Paul
Turner, Mr. Andrew
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Tyrie, Mr. Andrew
Ussher, Kitty
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Vaz, rh Keith
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walley, Joan
Walter, Mr. Robert
Waltho, Lynda
Ward, Claire
Waterson, Mr. Nigel
Watkinson, Angela
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Whittingdale, Mr. John
Wicks, rh Malcolm
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Williams, Mrs. Betty
Wills, rh Mr. Michael
Wilshire, Mr. David
Wilson, Phil
Wilson, Mr. Rob
Wilson, Sammy
Winnick, Mr. David
Winterton, Ann
Winterton, rh Ms Rosie
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Jeremy
Wright, Dr. Tony
Wyatt, Derek
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Mr. George Mudie and Steve McCabe

Question accordingly negatived.

Question put. That the clause be added to the Bill.

The Committee divided: Ayes 357, Noes 182.

Division No. 79] **[10.34 pm**

AYES

Ainger, Nick
Ainsworth, rh Mr. Bob
Alexander, Danny
Alexander, rh Mr. Douglas
Allen, Mr. Graham
Anderson, Mr. David
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Baker, Norman
Balls, rh Ed
Banks, Gordon
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Beckett, rh Margaret
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blears, rh Hazel
Blizzard, Mr. Bob
Blunkett, rh Mr. David
Borrow, Mr. David S.
Bradshaw, rh Mr. Ben
Brake, Tom
Breed, Mr. Colin
Brennan, Kevin
Brooke, Annette
Brown, Lyn
Brown, rh Mr. Nicholas
Brown, Mr. Russell
Browne, rh Des
Browne, Mr. Jeremy
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Burnham, rh Andy
Burstow, Mr. Paul
Burt, Lorely
Butler, Ms Dawn
Byrne, rh Mr. Liam
Cable, Dr. Vincent
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, rh Sir Menzies
Campbell, Mr. Ronnie
Carmichael, Mr. Alistair
Caton, Mr. Martin
Cawsey, Mr. Ian
Challen, Colin
Chapman, Ben
Clark, Ms Katy
Clark, Paul
Clarke, rh Mr. Tom
Clegg, rh Mr. Nick
Clelland, Mr. David
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Mr. Jim
Cunningham, Tony
Darling, rh Mr. Alistair
Davey, Mr. Edward
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Quentin
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Dobson, rh Frank
Donohoe, Mr. Brian H.
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Farrelly, Paul
Farron, Tim
Featherstone, Lynne
Fitzpatrick, Jim
Flello, Mr. Robert
Flint, rh Caroline
Flynn, Paul
Follett, Barbara
Foster, Mr. Don
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Francis, Dr. Hywel
Gardiner, Barry
George, Andrew
George, rh Mr. Bruce
Gerrard, Mr. Neil
Gidley, Sandra
Gilroy, Linda
Godsiff, Mr. Roger
Goggins, rh Paul
Goldsworthy, Julia
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Gwynne, Andrew
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hamilton, Mr. David
Hancock, Mr. Mike
Hanson, rh Mr. David
Harman, rh Ms Harriet
Harris, Dr. Evan
Harris, Mr. Tom
Harvey, Nick
Healey, rh John
Heath, Mr. David
Hemming, John
Henderson, Mr. Doug
Hepburn, Mr. Stephen
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Holmes, Paul
Hoon, rh Mr. Geoffrey
Hope, Phil
Horwood, Martin
Hosie, Stewart
Howarth, David
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hughes, Simon
Huhne, Chris
Humble, Mrs. Joan
Hunter, Mark
Iddon, Dr. Brian
Illsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Mr. Kevan
Jones, Lynne
Jones, Mr. Martyn
Jowell, rh Tessa
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally

Keeley, Barbara
Keen, Alan
Keen, Ann
Keetch, Mr. Paul
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kidney, Mr. David
Knight, rh Jim
Kramer, Susan
Ladyman, Dr. Stephen
Lamb, Norman
Lammy, rh Mr. David
Laws, Mr. David
Laxton, Mr. Bob
Lazarowicz, Mark
Leech, Mr. John
Lepper, David
Levitt, Tom
Lewis, Mr. Ivan
Linton, Martin
Lloyd, Tony
Llwyd, Mr. Elfyn
Love, Mr. Andrew
Lucas, Ian
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mahmood, Mr. Khalid
Malik, Mr. Shahid
Mallaber, Judy
Mann, John
Marris, Rob
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Martlew, Mr. Eric
Mason, John
McAvoy, rh Mr. Thomas
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr. Pat
McGuire, rh Mrs. Anne
McIsaac, Shona
McKechin, Ann
McKenna, Rosemary
McNulty, rh Mr. Tony
Meale, Mr. Alan
Merron, Gillian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Moffat, Anne
Moffatt, Laura
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mulholland, Greg
Mullin, Mr. Chris
Murphy, Mr. Denis
Murphy, rh Mr. Jim
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
Norris, Dan
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Oaten, Mr. Mark
Olner, Mr. Bill
Öpik, Lembit
Owen, Albert
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pound, Stephen
Prentice, Bridget
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Pugh, Dr. John
Rammell, Bill
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Reed, Mr. Jamie
Reid, Mr. Alan
Reid, rh John
Rennie, Willie
Robertson, Angus
Robinson, Mr. Geoffrey
Rogerson, Dan
Roy, Mr. Frank
Roy, Lindsay
Ruane, Chris
Ruddock, Joan
Russell, Bob
Russell, Christine
Ryan, rh Joan
Sanders, Mr. Adrian
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Slaughter, Mr. Andy
Smith, rh Mr. Andrew
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, Geraldine
Smith, rh Jacqui
Smith, John
Smith, Sir Robert
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Spink, Bob
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stuart, Ms Gisela
Stunell, Andrew
Sutcliffe, Mr. Gerry
Swinson, Jo
Tami, Mark
Taylor, Ms Dari
Taylor, Dr. Richard
Teather, Sarah
Thomas, Mr. Gareth
Thurso, John
Timms, rh Mr. Stephen
Tipping, Paddy
Todd, Mr. Mark
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Ussher, Kitty
Vaz, rh Keith
Walley, Joan
Waltho, Lynda
Ward, Claire
Watson, Mr. Tom
Watts, Mr. Dave
Webb, Steve
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, Mrs. Betty
Williams, Hywel
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wills, rh Mr. Michael
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodward, rh Mr. Shaun
Woolas, Mr. Phil
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek
Younger-Ross, Richard

Tellers for the Ayes:
Mr. George Mudie and Steve McCabe

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Ancram, rh Mr. Michael
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brazier, Mr. Julian
Brokenshire, James
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Campbell, Mr. Gregory
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clappison, Mr. James
Clark, Greg
Clarke, rh Mr. Kenneth
Clifton-Brown, Mr. Geoffrey
Cormack, Sir Patrick
Cox, Mr. Geoffrey
Crabb, Mr. Stephen
Curry, rh Mr. David
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duncan, Alan
Duncan Smith, rh Mr. Iain
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Field, Mr. Mark
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gove, Michael
Gray, Mr. James
Grayling, Chris
Green, Damian
Greening, Justine
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hammond, Mr. Philip
Hammond, Stephen
Harper, Mr. Mark
Hayes, Mr. John
Heald, Mr. Oliver
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holloway, Mr. Adam
Howard, rh Mr. Michael
Howarth, Mr. Gerald
Howell, John
Hunt, Mr. Jeremy
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui

Lancaster, Mr. Mark
Lansley, Mr. Andrew
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Mackay, rh Mr. Andrew
Maclean, rh David
Malins, Mr. Humfrey
Maples, Mr. John
Mates, rh Mr. Michael
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Osborne, Mr. George
Paice, Mr. James
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Scott, Mr. Lee
Selous, Andrew
Shapps, Grant
Simmonds, Mark
Simpson, David
Simpson, Mr. Keith
Smith, Chloe
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spicer, Sir Michael
Spring, Mr. Richard
Streeter, Mr. Gary
Stuart, Mr. Graham
Swayne, Mr. Desmond
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Timpson, Mr. Edward
Tredinnick, David
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Villiers, Mrs. Theresa
Walker, Mr. Charles
Wallace, Mr. Ben
Walter, Mr. Robert
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Widdecombe, rh Miss Ann
Wiggin, Bill
Willetts, Mr. David
Wilshire, Mr. David
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
James Duddridge and Jeremy Wright

Question accordingly agreed to.
New clause 88 added to the Bill.

New Clause 89

ENTITLEMENT TO VOTE

'Those entitled to vote in the referendum under section [*Referendum on voting systems*] are—

(a) the persons who, on the date of the poll, would be entitled to vote as electors at a parliamentary election in any constituency, and

(b) the persons (not within paragraph (a)) who on that date would be entitled to vote as electors at an election to the European Parliament in any electoral region because of section 8(3) or (4) of the European Parliamentary Elections Act 2002 (peers).'.—*(Mr. Straw.)*

Brought up, and added to the Bill.

New Clause 90

REFERENDUM PERIOD

'(1) This section sets out what is the referendum period, for the purposes of Part 7 of the Political Parties, Elections and Referendums Act 2000, for the referendum under section [*Referendum on voting systems*].

(2) Subject to subsection (3), the referendum period—

(a) begins with the date of the making of the order under section [*Referendum on voting systems*] that fixes the date of the poll, and

(b) ends with the date of the poll.

(3) If the order mentioned in subsection (2)(a) fixes a date that is more than 6 months after the day on which the order is made, the referendum period is the period of 6 months ending with the date of the poll.'.—*(Mr. Straw.)*

Brought up, and added to the Bill.

New Clause 91

ROLE OF ELECTORAL COMMISSION

'(1) The Electoral Commission must take whatever steps they think appropriate to promote public awareness about the referendum under section [*Referendum on voting systems*] and how to vote in it.

(2) The Electoral Commission may take whatever steps they think appropriate to provide, for persons entitled to vote in the referendum, information about each of the two voting systems referred to in section [*Referendum on voting systems*] (3).'.—*(Mr. Straw.)*

Brought up, and added to the Bill.

New Clause 92

PAYMENTS TO COUNTING OFFICERS

'(1) A counting officer is entitled to recover his or her charges in respect of services rendered, or expenses incurred, for or in connection with the referendum under section [*Referendum on voting systems*] if—

(a) the services were necessarily rendered, or the expenses were necessarily incurred, for the efficient and effective conduct of the referendum, and

(b) the total of the officer's charges does not exceed the amount ("the overall maximum recoverable amount") specified in, or determined in accordance with, an order made by the Secretary of State by statutory instrument, with the consent of the Treasury, for the purposes of this subsection.

(2) An order under subsection (1) may specify, or make provision for determining in accordance with the order, a maximum recoverable amount for services or expenses of a specified description.

Subject to subsection (3), the counting officer may not recover more than that amount in respect of such services or expenses.

(3) In a particular case the Electoral Commission may, with the consent of the Treasury, authorise the payment of—

(a) more than the overall maximum recoverable amount, or

(b) more than the specified maximum recoverable amount for any specified services or expenses,

if the Commission are satisfied that the conditions in subsection (4) are met.

(4) The conditions are—

(a) that it was reasonable for the counting officer concerned to render the services or incur the expenses, and

(b) that the charges in question are reasonable.

(5) The Electoral Commission must pay the amount of any charges recoverable in accordance with this section on an account being submitted to them.

But if the Commission think fit they may, before payment, apply for the account to be taxed under section [*Taxation of counting officer's account*].

(6) Where the superannuation contributions required to be paid by a local authority in respect of a person are increased by a fee paid under this section as part of a counting officer's charges at the referendum, then on an account being submitted to them the Electoral Commission must pay to the authority a sum equal to the increase.

(7) On the counting officer's request for an advance on account of the officer's charges, the Electoral Commission may make an advance on such terms as they think fit.

(8) The Electoral Commission may by regulations make provision as to the time when and the manner and form in which accounts are to be rendered to the Commission for the purposes of the payment of a counting officer's charges.

(9) An order or regulations under this subsection may make different provision for different cases.

(10) Any sums required by the Electoral Commission for making payments under this section are to be charged on and paid out of the Consolidated Fund.'.—*(Mr. Straw.)*

Brought up, and added to the Bill.

New Clause 93

TAXATION OF COUNTING OFFICER'S ACCOUNT

'(1) An application for a counting officer's account to be taxed must be made—

(a) except where paragraph (b) applies, to a county court;

(b) where the counting officer is one who was appointed for an area in Scotland, to the Auditor of the Court of Session.

A reference in this section to "the court" includes a reference to the Auditor mentioned in paragraph (b).

(2) On any such application the court has jurisdiction to tax the account in such manner and at such time and place as the court thinks fit, and finally to determine the amount payable to the counting officer.

(3) Where an application is made for a counting officer's account to be taxed, the officer may apply to the court for it to examine any claim made by any person ("the claimant") against the officer in respect of matters charged in the account.

(4) On an application under subsection (3), after the claimant has been given notice and an opportunity to be heard and to tender any evidence, the court may allow, disallow or reduce the claim, with or without costs.

The court's determination of the claim is final for all purposes and as against all persons.

(5) An application under subsection (1) for taxation of the account of the counting officer for Northern Ireland must be made to the county court that has jurisdiction at the place where the officer certified the number of ballot papers counted and votes cast.'.—*(Mr. Straw.)*

Brought up, and added to the Bill.

New Clause 94

RESTRICTION ON LEGAL CHALLENGE TO REFERENDUM RESULT

'(1) No court may entertain any proceedings for questioning the number of ballot papers counted or votes cast in the referendum under section [Referendum on voting systems] as certified by the Chief Counting Officer or a counting officer unless—

(a) the proceedings are brought by a claim for judicial review, and

(b) the claim form is filed before the end of the permitted period.

(2) In subsection (1) "the permitted period" means the period of 6 weeks beginning with—

(a) the date on which the Chief Counting Officer or counting officer gives a certificate as to the number of ballot papers counted and votes cast in the referendum, or

(b) if the Chief Counting Officer or counting officer gives more than one such certificate, the date on which the last is given.

(3) In the application of this section to Scotland, subsection (1) has effect—

(a) with the substitution in paragraph (a) of "a petition" for "a claim";

(b) with the substitution in paragraph (b) of "the petition is lodged" for "the claim form is filed".

(4) In the application of this section to Northern Ireland, subsection (1) has effect—

(a) with the substitution in paragraph (a) of "an application" for "a claim";

(b) with the substitution in paragraph (b) of "the application for leave to apply for judicial review is lodged" for "the claim form is filed".'.—*(Mr. Straw.)*

Brought up, and added to the Bill.

New Clause 95

REFERENDUMS: PERSON MAY NOT BE "RESPONSIBLE PERSON" FOR MORE THAN ONE PERMITTED PARTICIPANT

'(1) Part 7 of the Political Parties, Elections and Referendums Act 2000 (referendums) is amended as follows.

(2) In section 105 (permitted participants), in subsection (1)(b)(i), after "(as defined by section 54(8))" insert "who is not the responsible person, in relation to the referendum, for another permitted participant".

(3) In section 106 (declarations and notifications for purposes of section 105), after subsection (4) insert—

"(4A) A declaration made or notification given by a body in relation to a particular referendum does not comply with the requirement in subsection (2)(b) or (4)(b)(ii) (to state the name of the person who will be responsible for compliance) if the person whose name is stated—

(a) is already the responsible person for a permitted participant in relation to the referendum,

(b) is an individual who gives a notification under subsection (3) in relation to the referendum at the same time, or

(c) is the person whose name is stated, in purported compliance with the requirement in subsection (2)(b) or (4)(b)(ii), in a notification given in relation to the referendum at the same time by another body

In this subsection "the person", in relation to a body other than a minor party, is to be read as "the person or officer".".—*(Mr. Straw.)*

Brought up, and added to the Bill.

New Clause 96

REFERENDUMS: EXPENSES INCURRED BY PERSONS ACTING IN CONCERT

'(1) Part 7 of the Political Parties, Elections and Referendums Act 2000 (referendums) is amended as follows.

(2) In section 118 (special restriction on referendum expenses by permitted participants), in subsection (4), after "for the purposes of this section," insert "section 118A,".

(3) After that section insert—

"118A Referendum expenses incurred by persons acting in concert

(1) This section applies where—

(a) any referendum expenses are incurred by or on behalf of an individual or body during the referendum period for a referendum to which this Part applies, and

(b) the expenses are so incurred in pursuance of a plan or other arrangement whereby referendum expenses are to be incurred by or on behalf of—

(i) that individual or body, and

(ii) one or more other individuals or bodies,

respectively with a view to, or otherwise in connection with, promoting or procuring one particular outcome in relation to any question asked in the referendum.

(2) The expenses mentioned in subsection (1)(a) shall be treated for the purposes of—

(a) section 117,

(b) section 118 and Schedule 14, and

(c) sections 120 to 123,

as having also been incurred, during the referendum period, by or on behalf of the other individual or body (or, as the case may be, each of the other individuals or bodies) mentioned in subsection (1)(b)(ii).

(3) This section applies whether or not any of the individuals or bodies in question is a permitted participant.'".—*(Mr. Straw.)*

Brought up, and added to the Bill.

New Clause 98

COUNTING OF VOTES IN PARLIAMENTARY ELECTIONS

'(1) The Representation of the People Act 1983 is amended as follows—

(2) In Schedule 1 (Parliamentary elections rules), in paragraph 44, after sub-paragraph (1) insert—

"(1A) The counting of votes in a parliamentary election shall start within four hours of the close of the poll, save in exceptional circumstances.

(1B) The Secretary of State shall, after consulting the Electoral Commission, prepare draft guidance on the definition of "exceptional circumstances" for the purposes of sub-paragraph (1A).

(1C) The draft guidance prepared under sub-paragraph (1B) may not be issued unless a draft has been laid before, and approved by both Houses of Parliament."'.—*(Mr. Straw.)*

Brought up, and added to the Bill.

Clause 62

EXTENT, COMMENCEMENT, TRANSITIONAL PROVISION AND SHORT TITLE

Amendments made: 100, page 32, line 38, leave out '(apart from this Part)'.

Amendment 136, page 32, line 40, at end insert—

'( ) Subsection (3) does not apply to the following provisions of this Act (which accordingly come into force on the day this Act is passed)—

(a) sections [*Referendum on voting systems*] and [*Referendum period*];

(b) section [*Tax status of MPs and members of the House of Lords*];

(c) section [*Tax status of members of the House of Lords: transitional provision*] (or section 33, so far as applied by that section);

(d) section [*Section 3 of the Act of Settlement*];

(e) sections [*Referendums: person may not be "responsible person" for more than one permitted participant*] and [*Referendums: expenses incurred by persons acting in concert*];

(f) this Part.'.—*(Mr. Straw.)*

Title

Amendments made: 102, line 1, after 'State;' insert

'to make provision in relation to section 3 of the Act of Settlement and other provision in relation to nationality restrictions connected with employment or the holding of office in a civil capacity under the Crown;'.

Amendment 133, line 2, after 'treaties;', insert

'to amend the Parliamentary Standards Act 2009 and the European Parliament (Pay and Pensions) Act 1979 and to make provision relating to pensions for members of the House of Commons, Ministers and other office-holders;'.

Amendment 137, line 2, after 'treaties;' insert

'to make provision for a referendum on the voting system for parliamentary elections, and about referendums generally;'.

Amendment 134, line 4, after 'Lords;', insert

'to make provision for treating members of the House of Commons and members of the House of Lords as resident, ordinarily resident and domiciled in the United Kingdom for taxation purposes;'.

Amendment 43, line 10, after 'Office;' insert

'to amend Schedule 5 to the Government of Wales Act 2006 in relation to the Auditor General for Wales;'.—*(Mr. Straw.)*

Mr. Grieve: On a point of order, Madam Chairman. The reality is that, without the debate having been long-winded, yet again we have failed to consider a large number of clauses, including on questions of mental illness of Members of Parliament, the role of the Attorney-General, war powers, code of conduct for publicly funded bodies, royal marriages and succession to the Crown, complaints to the parliamentary commissioner, and parliamentary constituencies and elections. Is it not making a mockery of the House that yet again we show ourselves utterly unable to consider and scrutinise legislation properly?

The First Deputy Chairman: Order. The hon. and learned Gentleman has made his point, and it will have been heard and noted. Equally, he will know that I am bound by the programme order of the House.

The Deputy Speaker resumed the Chair.

Bill, as amended, reported (Standing Order No. 83D(6)).

Bill to be considered tomorrow.

Sunbeds (Regulation) Bill [*Money*]

Queen's recommendation signified.

10.52 pm

The Minister of State, Department of Health (Gillian Merron): I beg to move,

That, for the purposes of any Act resulting from the Sunbeds (Regulation) Bill, it is expedient to authorise the payment out of money provided by Parliament of any increase attributable to the Act in the sums payable under any other Act out of money so provided.—*(Gillian Merron.)*

The Sunbeds (Regulation) Bill was introduced by my hon. Friend the Member for Cardiff, North (Julie Morgan), and the Bill has received a Second Reading and is due to be considered in a Public Bill Committee tomorrow. The provisions in the Bill make new powers available to local authorities in England, and accordingly a money resolution is required in order that the Bill can be debated in Committee.

Mr. Christopher Chope (Christchurch) (Con): Will the Minister give way?

Gillian Merron: I would like to make some progress.

As I made clear on Second Reading, I believe that the Bill provides the first legislative opportunity to tackle an urgent problem. It is supported by evidence from a range of sources, including findings of the World Health Organisation, the Committee on the Medical Aspects of Radiation in the Environment, and surveys carried out by Cancer Research UK on behalf of the Department of Health. The evidence supports the view that informs this Bill: that sunbeds are a health risk, that use of sunbeds by under-18s is growing, that there is a clear link between sunbed use and skin cancer, and that voluntary regulation by the industry has not been enough to protect young people. The Bill addresses those problems directly, which is why the Government fully support it. The provision of funding for local enforcement is necessary if the aims of the Bill are to be achieved. That is why I commend the resolution to the House.

10.54 pm

Mark Simmonds (Boston and Skegness) (Con): We, on the Conservative Benches, are supportive of the Bill, and we supported its contents on Second Reading. There is clear clinical evidence to support the banning of under-18s from using sunbeds, and we wish to see the Bill progress. As the Minister rightly said, the Committee stage is tomorrow.

However, I have one query for the Minister about the money resolution. It is a query that I raised on Second Reading, but one that I did not get a response to. In the impact assessment, the annual cost of the implementation and enforcement of the Bill is estimated at £88,000—approximately £100,000—which is based on the questionable assumption that 5 per cent. of sunbed salons would continue to allow under-18s to use their sunbeds, and that that would be identified only through public complaint. Is the Minister confident that the detail in the impact assessment is correct? It does not appear to have been strongly or forensically analysed, and that figure could be a gross underestimate of the possible costs to local authorities. Will she therefore confirm that the total cost allowed under this money resolution is £88,000, as detailed in the impact assessment?

10.55 pm

Sandra Gidley (Romsey) (LD): We on the Liberal Democrat Benches support the motion, and I see no reason to detain the House any further.

10.56 pm

Mr. Christopher Chope (Christchurch) (Con): It will not have escaped the notice of hon. Members that the Minister has not put any figures whatever on her assessment of the costs of the provision. My hon. Friend the Member for Boston and Skegness (Mark Simmonds), speaking from the Front Bench, has rightly drawn attention to the figure of £88,000. It will not have escaped your notice, Mr. Deputy Speaker, that we are in an age of austerity. Surely we should be considering affordability. In my submission, therefore, it is incumbent on the Minister, before asking us to accept this money resolution, to give us an indication of the likely costs, because surely we cannot be in the business of providing the Government with blank cheques.

Mr. Andrew Pelling (Croydon, Central) (Ind): But will not the saving for the national health service, in terms of the health of the young people concerned, mean that the Bill will inevitably be an excellent investment, and that we should get on with agreeing to the motion?

Mr. Chope: The hon. Gentleman makes an assertion. What I am interested in is evidence. I look to the Minister to provide some evidence that the provision will be proportionate, and that it will not offend against the principle of affordability. I also want to ensure that she will take into account the information that came to me earlier this evening, which is that many users of sunbeds who are under 18 are employed in our armed forces. The impact on their morale could be substantial if they cannot continue to use sunbeds. I should be grateful if the Minister could address those points in responding to this brief debate.

10.57 pm

Gillian Merron: I am grateful for the support across the House. I should be happy to clarify this further, but just to make it clear, £88,000 is what we believe will be required to ensure proper enforcement of the ban for under-18s. That is based on information provided to us by the Local Authorities Co-ordinators of Regulatory Sevices. If we chose to exercise the regulation-making powers, we would of course conduct further impact assessments. I commend this motion to the House.

Question put and agreed to.

Business without Debate

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Alan Haselhurst): With the leave of the House, I shall put motions 7, 8, 9 and 10 together.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

DISABLED PERSONS

That the draft Rail Vehicle Accessibility (London Underground Metropolitan Line S8 Vehicles) Exemption Order 2010, which was laid before this House on 12 January, be approved.

INVESTIGATORY POWERS

That the draft Regulation of Investigatory Powers (Communications Data) Order 2010, which was laid before this House on 5 January, be approved.

That the draft Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2010, which was laid before this House on 5 January, be approved.

TERMS AND CONDITIONS OF EMPLOYMENT

That the draft Employment Relations Act 1999 (Blacklists) Regulations 2010, which were laid before this House on 18 January, be approved.—*(Mr. Mudie.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)).

OBTAINING EVIDENCE IN CRIMINAL MATTERS

That this House takes note of European Union Document No. 17691/09, Commission Green Paper on obtaining evidence in criminal matters from one Member State to another and securing its admissibility; and supports the Government's objective of only supporting a new EU Mutual Legal Assistance instrument that will bring coherence and add real value to the operation of Mutual Legal Assistance amongst EU member states.—*(Mr. Mudie.)*

Question agreed to.

PETITIONS

Mr. Deputy Speaker (Sir Alan Haselhurst): I call Mr. Peter Bone to present a petition.

Mr. Peter Bone (Wellingborough) (Con): I am sorry that you have been misinformed, Mr. Deputy Speaker, but I presented my petition last night.

Mr. Deputy Speaker: Well I am very grateful that you are here to correct that impression now.

Gritting

10.59 pm

Tim Farron (Westmorland and Lonsdale) (LD): I should like to present a petition on behalf of the residents of the south lakes regarding gritting and the emergency response, or lack of it, to the recent extreme winter weather conditions.

The Petition of residents of the South Lakes and others,

Declares that better gritting is required in the South Lakes.

The Petitioners therefore request that the House of Commons urges the Government to put pressure on Cumbria County Council to develop an emergency plan to make sure that roads and pavements are cleared properly and people are not trapped in their homes during snowfall.

And the Petitioners remain, etc.

[P000733]

Planning and Development (Essex)

11 pm

Bob Spink (Castle Point) (Ind): I should like to present an important petition collected by two worthy, caring and community-spirited residents of my constituency, Pam Drever and Pat Shepherd. They are seeking to protect the public interest and to fight a developer who has caused nuisance to neighbours and is seeking to regularise the position of his fence, which he has progressively moved on to what is clearly highway land. The councils must act to stop this unacceptable behaviour, and I warmly congratulate every one of the many people who have signed the petition, which states:

The Petition of residents of Stanway Road and surrounding areas,

Declares that we are strongly opposed to the proposed plans application CPT/2/10/FUL to further extend the boundary fencing and gates of the business operating at 77 Stanway Road and believe that if the council pass these plans it will further spoil the appearance of the area, will result in more commercial traffic and street parking in this area, more noise and disturbance to us and will allow the business at 77 to further dominate the area.

The Petitioners therefore request that the House of Commons urge the Government to encourage Castle Point Borough Councillors, Essex County Councillors and the Highways Authority, to take urgent and tough action to immediately end the improper land grabbing and fencing off of highway land in this otherwise quiet and respectable residential area and take appropriate action to force the business back to the proper boundaries for this site, in the wider public interest.

And the Petitioners remain, etc.

[P000734]

Pedestrian Crossings

11.1 pm

Ms Celia Barlow (Hove) (Lab): I am privileged to present a petition signed by more than 200 of my constituents calling for the creation of a safe pedestrian crossing at the junction of Old Shoreham road, Neville road and Sackville road in Hove. Of the 212 residents of the five roads at Painters Corner, all but two signed the petition, showing that it has 99 per cent. support. Residents have long noted the increased danger at this crossing, and have cited incidents that include three children being involved in accidents there and numerous near-misses by vehicles. Written complaints to the council have achieved nothing. The petitioners would like the council to remedy this by funding road safety improvements at the junction.

The petition states:

The Petition of residents of Hove and Portslade and others,

Declares that the petitioners have serious concerns about the safety of pedestrians using the crossroads at the junction between Old Shoreham Road, Neville Road and Sackville Road; further declares that the Petitioners are concerned that there are no pedestrian crossings on the north or southbound carriageways at the junctions on Neville and Sackville roads, and believe that there is an urgent need for a safe and effective pedestrian crossing at this site.

The Petitioners therefore request that the House of Commons urge Ministers in the Department for Transport to take steps to ensure that a crossing is placed at this juncture to ensure the safety of pedestrians at this crossing.

And the Petitioners remain, etc.

[P000735]

Climate Change (Bangladesh)

Motion made, and Question proposed, That this House do now adjourn.—*(Mr. Mudie.)*

11.3 pm

Colin Challen (Morley and Rothwell) (Lab): I am grateful for the opportunity that this debate provides to raise my concerns about the impacts of climate change on Bangladesh and to say how we should respond to them. In large part, the debate arises out of a joint report published by the all-party climate change groups in the UK and the Bangladeshi Parliaments. The report is called "Climate change equity: is it a plan, an aspiration or a fashion statement?"

I want to take this opportunity, as chair of the UK all-party group on climate change, to praise the work of my counterpart in Bangladesh, Saber Chowdhury MP, who has shown great leadership on this issue. I also want to praise the work of the Commonwealth Parliamentary Association, which has taken a leading role in bringing together parliamentarians from around the Commonwealth to discuss the impacts of climate change. As we know, many Commonwealth member states are highly vulnerable to climate change, and it is my belief that, as MPs, we have a considerable task ahead in promoting climate change policies and proactively ensuring that climate change finance is properly utilised. I will return to that subject later.

As we know, Bangladesh is especially vulnerable to climate change. Even a 1 metre sea-level rise would displace 30 million people, and although that prospect may be some time off, many problems are likely to happen in the meantime due to more intense storms, increasing salinity in drinking water supplies and so forth. I suspect that the prospect of tens of millions of displaced people is one reason why India, which shares most of Bangladesh's border, is building a security fence all along that border. With a land mass the size of England and Wales and a population of around 150 million, the pressures on Bangladesh are immense. Clearly, another consequence of climate change could be the raising of regional tensions.

Help from the UK is immensely important to the people of Bangladesh. About £1 billion a year is committed, making us Bangladesh's largest donor. Nearly £140 million comes through the Department for International Development. Clearly, the money is devoted to the twin aims of developing Bangladesh's economy and accomplishing the millennium development goals. Equally clearly, these goals and Bangladesh's escape from poverty are threatened by climate change. It is vital to reassess our support in the light of the changing climate.

We also need to ensure that more money is forthcoming. It would be interesting to learn how much of the $30 billion of early climate change finance proposed by the Copenhagen accord will find its way to Bangladesh. As the Prime Minister has acknowledged, we need to ensure that we are talking about new money—not just taking it from existing development budgets. As we know, some countries have reduced their official development assistance budgets in the wake of the recession. The UK has pledged to increase our official development assistance to the 0.7 per cent. level called for by the United Nations way back in 1970. We need assurances that this increase will be largely separate from climate change finance. We cannot rob Peter to pay Paul.

I support the commitment we have made that no more than 10 per cent. of our ODA budgets will be spent on tackling climate change, but I think that we should match that commitment with another and insist that that 10 per cent. never becomes more than 10 per cent. of our climate change assistance. We have to be open and transparent about this; we must not count the new money twice.

As Copenhagen showed, there is a commitment among developed countries to commit new finance to tackling climate change, but it is not at all clear that the figures mentioned, including the mid-term goal of $100 billion a year by 2020, relate to actual need. One wonders how we arrived at a figure of £64 billion at today's exchange rate. One of the tasks of the two all-party groups' joint report was to see whether we could put a benchmark figure on what Bangladesh should receive from all sources if we had a global deal that really was equitable.

Global leaders emerging from their summits always like to talk about equity, but they never seem inclined to define it. The nearest they get to doing so is by reference to the United Nations framework convention on climate change statement that we all share "common but differentiated responsibilities". That sounds all well and good, but it is no more than a statement of the bleedin' obvious. What does it mean in practice? In our report, we try to flesh it out.

We have chosen to use a contraction and convergence—or C and C—model and apply it to the Department of Energy and Climate Change cost of carbon abatement figures. It should be noted that the C and C framework, which posits a contraction in global carbon emissions leading to a global per capita convergence point, is the working model used by our own Climate Change Act 2008, the Committee on Climate Change and many others in calculating what our effort should be. In short, the result of that somewhat inexact exercise as it appears in our report nevertheless shows that fair climate change financing for Bangladesh this year would approach £2 billion. This, let us not forget, is on top of the existing £1 billion from the UK and other international finance.

Bob Spink (Castle Point) (Ind): The hon. Gentleman has shown great leadership on this issue. May I set it in context? Bangladesh's annual per capita carbon emissions are a quarter of a tonne, the United Kingdom's are approaching 10 tonnes, and those of the United States are about 28 tonnes. Bangladesh did not cause the problem, and it is not fuelling the problem now. We did and we are, so we must pay. That is the clear message.

Colin Challen: I agree. I shall say something about that later.

Substantial sums are involved, which is all the more reason why we must not pretend that they could be buried in normal ODA financing. I have no idea how Bangladesh will fare in securing a fair share of that help. It has not done very well so far. Let us consider, for example, what it has got out of the clean development mechanism. There seems to be an unwritten rule that the poorer a country is, the less it can earn from CDMs. In other words, if a country is too poor to emit much carbon dioxide in the first place, it cannot expect to receive much help to avoid emitting carbon in the future. If a country cannot enter a carbon market, its

[Colin Challen]

costs in tackling climate change will go up. As the carbon price forecasts of the Department of Energy and Climate Change illustrate, in the medium term at least, official assistance is considered to be twice as expensive as market-driven finance.

What is the basis of the 2020 figure of £64 billion, and what is the basis of the short-term figure of £19.2 billion? Those are the Copenhagen accord figures translated into sterling. Have we begun to identify what the money will be spent on? When do we expect to see it spent? Who will be in charge of it? Those questions urgently need answers. The Copenhagen accord was so lacking in ambition—ambition, that is, to provide a rational and coherent solution to the challenge of climate change—that we should be impatient with any delay or obfuscation over the few promises that were made.

Another question that our joint report asks about climate change finance is whether we need better governance at international and domestic levels. In Copenhagen last December, I gained the impression that many developing countries were dissatisfied with the way in which climate change is currently handled. It is felt that local voices tend to be excluded from the process. In my view, we should do more—much more—to ensure that local people are in the driving seat.

In that context, our two all-party groups would like parliamentarians to have a greater role in monitoring the way in which money is spent, and more power to call Governments and international bodies to account. The Commonwealth Parliamentary Association could have an enhanced role in the Commonwealth. If Members of Parliament from developed and developing countries had a regular channel through which to share their experiences, we could help to ensure that moneys were spent properly. Such channels could be established by the creation of bilateral Select Committees or a formal inter-parliamentary forum. Saber Chowdhury and I urge both our Governments to consider supporting the establishment of such a parliamentary forum between the United Kingdom and Bangladesh. Our existing links, through the CPA and the fact that we are Bangladesh's largest donor, suggest that a cross-party bilateral arrangement could have a significant role to play.

Underpinning such an arrangement should be a recognition that equity is not just about money—in which context the donor is too often perceived to have the upper hand—but about ownership. We need to recognise that although we may see ourselves in the United Kingdom as benefactors, we are actually debtors. As is so often said—and as has been said this evening—the developed world created the problem, but it is the developing world that will feel the impact of climate change first. Equity means understanding that countries such as Bangladesh are our creditors, and that it is therefore not for us to demand a dominant say in what we think is best. We must be equal partners, and who better to ensure that we realise that vision than the elected representatives of civil society?

Another major aspect of our report is the way in which it addresses the impact of climate change on human rights. It argues strongly for a human rights-based approach to climate change, since many of the rights that we cherish can so easily be destroyed by it. The report notes that there are currently four pillars to the climate change negotiations: mitigation, adaptation, financing and technology transfer. We call for the addition of a fifth pillar, that of human rights. In practice that could mean, for example, greater attention being paid to environmental refugees. It may mean that such refugees receive official recognition and status. Obviously, this is a live issue in Bangladesh, for if those 30 million displaced people cannot be accommodated in an already overcrowded country, and are hemmed in by a security fence, what is to become of them? For that matter, what is to become of people whose very nations may disappear, as could be the case for Commonwealth countries such as Vanuatu or Kiribati?

The UK Government are well placed to launch an initiative to explore the legalities of these matters, and to ensure that the United Nations framework convention on climate change urgently addresses the issue. This work must be done before the crisis deepens.

The Department for International Development has been one of the outstanding successes of this Labour Government, but the challenges ahead are multiplying. It is good that we are making it a legal responsibility to reach the 0.7 per cent. ODA goal. For 40 years, the UN's ambition was merely voluntary, which is why so many countries have failed to achieve it, but let us not forget that the 0.7 per cent. goal was in no way scientifically arrived at. Even in 1970, it did not relate to actual need. Now, at a time when Nick Stern has suggested that 2 per cent. of GDP will have to be spent on tackling climate change, one hopes that we will not be waiting another 40 years before we commit to it.

I hope that we hear a very positive response from my hon. Friend the Minister this evening, as next week I and colleagues in the CPA will be visiting Bangladesh, and climate change will be at the top of our agenda.

11.16 pm

The Parliamentary Under-Secretary of State for International Development (Mr. Michael Foster): May I begin by thanking my hon. Friend the Member for Morley and Rothwell (Colin Challen) for securing this debate and for giving the House the opportunity to discuss the impact of climate change on Bangladesh? May I also say how pleased I am that more Members than I had anticipated are present for the debate, especially at such a late hour? My hon. Friend has a long-standing interest in this subject and he has considerable expertise on it, too, so I treat his views with great respect.

By now, it is well documented—although, perhaps, not yet as well understood as we might wish—that the impacts of climate change will be most keenly felt by the developing world. Countries such as Bangladesh that are already vulnerable to rising sea levels and changing weather patterns are particularly susceptible. In Bangladesh, climate change is not a future threat, but a current reality. The country is well used to floods and cyclones, and its people are resilient and adaptable, but the pace and severity of the climate changes that the world is now facing could have disastrous consequences for Bangladesh.

My hon. Friend will doubtless be familiar with the harsh statistics I am about to give, but I make no apology for repeating them, as it is essential to do so, both for the record and to inform our response. Looking ahead, by 2050 Bangladesh could have some 70 million

people affected by floods each year, 8 million affected by droughts, and up to 8 per cent. of low-lying land under water owing to rising sea levels. Associated with that will be the saline pollution of rice-growing paddy fields. All that could happen within the lifetime of our children. Looking even further ahead, by the end of the century, half of Bangladesh's coastal embankments could be breached by rising sea levels. Should sea levels rise by just 1 metre, as my hon. Friend suggested, a fifth of Bangladesh could be flooded. In other words, an area 18 times the size of Greater London would be under water—land that people depend on for shelter and for their livelihoods. All that could happen within the lifetime of our grandchildren.

Bob Spink: Will the hon. Gentleman acknowledge that there is an official measure of countries that are vulnerable to climate change, and at the very top of the list of all the significant countries in the whole world is Bangladesh?

Mr. Foster: I have visited the country and looked at the statistics in the reports. I agree absolutely: Bangladesh finds itself in that rather unenviable position in the league table.

The Government of Bangladesh are alert to the problems. They have produced a 10-year climate change strategy and action plan and have allocated funding from their budget to help with implementation. Thanks to support from the international community, they are also working to improve their early warning systems for floods and cyclones.

Bangladeshi climate negotiators take part in most UN climate negotiation meetings, including discussions on the Copenhagen accord. Although we all recognise that a political resolution was not achieved at Copenhagen, Bangladesh did secure a number of good outcomes. In particular, the adaptation needs of vulnerable developing countries were recognised, as was their entitlement to preferential access to fast-start funds for adaptation.

Another sign of the commitment of the national Government can be seen in the new international centre for climate change and development that is planned in Dhaka. It will be a centre of excellence, encouraging those responsible for planning to factor climate change implications into their designs. The UK and Bangladesh enjoy strong historical links and we have been working with Bangladesh for many years, supporting development across the country.

That support includes £100 million allocated over the next eight years to help the people living in the areas that are most affected by climate change. In September 2008, we hosted an international conference on the impact of climate change in Bangladesh. At that event, my right hon. Friend the Secretary of State for International Development announced a further £75 million to support the Government of Bangladesh's strategy for climate change adaptation and mitigation. Of that £75 million, £60 million will be channelled through a pooled fund to be controlled by the Government of Bangladesh.

That fund will be administered initially by the World Bank, so that it can provide the financial safeguards that will ensure money is properly used and accounted for. I know that my hon. Friend the Member for Morley and Rothwell understands how important those safeguards are for taxpayers' funds. It will, however, be up to the Government of Bangladesh to decide how the money is spent. I also want to stress that all UK bilateral development assistance to Bangladesh, including the £60 million contribution to the pooled fund for climate change, is made in the form of grants rather than loans.

The UK has pledged £1.5 billion towards fast-start financing agreed at Copenhagen. That funding will kick-start measures aimed at cutting emissions and will help developing countries to adapt to climate change. Clearly, some of that money will be spent in Bangladesh.

Climate change has particular consequences for those living near the sea, and I mentioned some of the potential risks earlier. Although at this stage we cannot be sure of the exact impact, we should be in no doubt that millions of people, especially those living in coastal regions, might be forced to relocate if adaptation measures prove inadequate.

Migration for environmental or climate reasons, as my hon. Friend has mentioned, is nothing new for Bangladesh. The country has suffered regularly from flooding and from cyclones. When such events occur, local people naturally look for better opportunities for themselves and their families. They often decide to move to cities and in doing so they move from the problems in one part of the country to different problems elsewhere—perhaps living in overcrowded slums, putting further pressure on services in Bangladesh. The Government and their development partners are working together to help cities to cope with their growing populations. The UK, for example, is investing £60 million through a United Nations programme to improve infrastructure and services for some 3 million very poor and vulnerable people in 23 towns and cities in Bangladesh.

I had the privilege of visiting Bangladesh last year and I spent some time with people living on the chars—low-lying sand islands in the Jamuna river. I saw how UK aid had been used to raise homestead farms above the level of the 1998 and 2007 floods. I saw what a difference that made to the people living there. What I saw made me realise the sheer scale of the challenge that climate change presents in Bangladesh.

Greg Clark (Tunbridge Wells) (Con): Will the Minister give way?

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. The half-hour Adjournment debate is essentially a Back-Bench occasion and it is not usual for Front-Bench spokesmen to intervene. I appreciate that the hon. Gentleman is not a Front-Bench spokesman on international development, but the fact that he and the Liberal Democrat Front-Bench spokesman, the hon. Member for North Southwark and Bermondsey (Simon Hughes), are here may be seen as their demonstrating their interest. It is better that the debate is kept as a Back-Bench occasion, otherwise other precedents will be set.

Mr. Foster: Thank you, Mr. Deputy Speaker. I am aware of the hon. Gentleman's interest in the climate change agenda and I would certainly welcome any contribution from him if the Chair were to allow it.

As I was saying, it is unthinkable that those challenges could be ignored. If my hon. Friend the Member for Morley and Rothwell wants to see some of the work

[Mr. Michael Foster]

that my Department is doing on the chars before he visits Bangladesh, he could look on DFID's website under the chars livelihoods programme, where he would see some analysis of that project's work. If he were minded to look at YouTube, he could see a video blog that I did while I was on the char islands, which graphically brings home to people in the UK who have not had the privilege of visiting those parts of the world what is happening there. They can see for themselves exactly what we mean when we talk about raising homestead levels and allowing people to deal with climate change and development—all under the roof of one particular project.

I thank my hon. Friend for his contribution to the debate. He said that he and his colleagues from the Commonwealth Parliamentary Association will visit Bangladesh shortly. I hope that he has a productive trip and I genuinely look forward to receiving a copy of the report that it is customary to produce after such visits. I am more than willing to discuss any of the issues that arise from his visit on his return.

Question put and agreed to.

11.27 pm

House adjourned.

House of Commons

Wednesday 10 February 2010

The House met at half-past Eleven o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

BUSINESS BEFORE QUESTIONS

ELECTORAL COMMISSION

The VICE-CHAMBERLAIN OF THE HOUSEHOLD reported to the House, That the address of 15 December, praying that Her Majesty will appoint Anthony Hugh Burton Hobman as Electoral Commissioner with effect from 19 January 2010 for the period ending on 31 December 2013, was presented to Her Majesty, who was graciously pleased to comply with the request.

Oral Answers to Questions

WALES

The Secretary of State was asked—

Bovine Tuberculosis

1. **Mr. Henry Bellingham** (North-West Norfolk) (Con): When he next expects to hold discussions with ministerial colleagues and the Welsh Assembly Government on policy to tackle bovine tuberculosis. [315864]

The Parliamentary Under-Secretary of State for Wales (Mr. Wayne David): Both the UK and Welsh Assembly Governments take the impact of bovine tuberculosis very seriously. I am sure that the Welsh Assembly Government will consider the most effective means at their disposal, including vaccination, to eradicate bovine TB in Wales.

Mr. Bellingham: Does the Minister agree that the badger culling programme in Wales has been a success in eradicating bovine TB? What lessons can England learn from that? Does he agree that such a programme could be introduced in England as well?

Mr. David: Of course, as the hon. Gentleman recognises, bovine TB is one of the biggest threats to the farming industry, which is a major contributor to the Welsh economy. There are mixed opinions in both Wales and England as to effective TB control, but the Welsh Assembly Government strongly believe—correctly, in my view—in a combination of badger vaccination, targeted culling and other cattle measures. The cull has not actually begun yet in Wales, but I am sure that lessons will be learned.

Alun Michael (Cardiff, South and Penarth) (Lab/Co-op): Will my hon. Friend note that bovine TB is a serious threat to the farming industry and whereas opinions may vary, the science is entirely against the suggestion that a cull of badgers would do anything to help farmers or the farming industry? Will he encourage his colleagues in the Welsh Assembly Government, especially in the light of the today's report from Imperial college, to study the evidence again?

Mr. David: I am aware of the press report to which my right hon. Friend has referred but, of course, nobody is suggesting that there should be a cull full stop. We need to use a range of measures, with that mixed approach being required in south-west Wales in particular.

Mr. Roger Williams (Brecon and Radnorshire) (LD): The Labour-led Administration in Cardiff bay have come up with a positive programme to eliminate TB in cattle in Wales, which includes better biosecurity, progress on the vaccination programme and a limited cull of infected wildlife. I am sure that the Minister will agree that devolution is not about isolation; it is about spreading best practice. Will he therefore have a word with the Secretary of State for Environment, Food and Rural Affairs, who seems to have lost the plot on this, and give him some good tips on how that approach could be implemented in England as well? That would provide a UK free of TB, rather than just one country free of it.

Mr. David: Devolution is, of course, about not only doing things differently, but learning from the experiences of others, and I am sure that the experiences will be shared when this cull begins. I should emphasise that this is one element of a strategy that has been devised by the Welsh Assembly Government and that is fully supported by the farmers unions in Wales; I have every confidence in it.

Chris Ruane (Vale of Clwyd) (Lab): Some £124 of objective 1—

Several hon. Members Question 2!

Economy

2. **Chris Ruane** What recent discussions he has had with ministerial colleagues on the state of the economy in Wales; and if he will make a statement. [315865]

The Secretary of State for Wales (Mr. Peter Hain): My hon. Friend is the most enthusiastic Member in the House.

Last month's modest but welcome growth in gross domestic product shows that actions taken by this Government have begun to secure the economic recovery in Wales.

Chris Ruane: Up and at 'em! We have had £124 million of objective 1 funding for Denbighshire, a £30 million Welsh Assembly Government investment in seaside towns in north Wales, £5 million from the Department for Work and Pensions for initiatives in Rhyl, two new further education colleges in my constituency and an extra 6,000 jobs created in Vale of Clwyd. Will those investments be under threat if that lot over there get in?

Mr. Hain: The answer is yes, and my hon. Friend's constituents understand that. They know that the Conservative plans, which were reported in *The Guardian* only on Monday, for savage cuts that will go dramatically

further than Labour's restrained policies will jeopardise all that investment in his constituency and all the investment that is going in, and that has gone in, to Wales in 13 years of Labour Government.

Adam Price (Carmarthen, East and Dinefwr) (PC): Why is the Treasury forcing the Welsh Assembly Government to put on their balance sheet the £97 million that Finance Wales has loaned to small businesses and thus, in effect, capping the amount that can be lent, given that the Government here have been borrowing off balance sheet for years? Is that not another classic example of one rule for Wales and another for Whitehall, with Welsh people being penalised as a result?

Mr. Hain: First, I am not sure whether this is the hon. Gentleman's last or penultimate appearance at Welsh questions, but I wish him well in his studies in America. We will all miss him dearly, although I am not sure whether the hon. Member for Meirionnydd Nant Conwy (Mr. Llwyd) will miss him as dearly.

At any rate, the points made by the hon. Gentleman should be considered in the context of current discussions. I am assisting the First Minister in trying to resolve the matter, because the hon. Gentleman is right that Finance Wales has played an absolutely crucial role in helping businesses in Wales and that it ought to be able to continue that role free from any debt.

Dr. Hywel Francis (Aberavon) (Lab): There has been a 75 per cent. decrease in long-term unemployment in my constituency since 1997. Although we warmly welcome that, we should also be looking to create new, sustainable, high-quality jobs for the future, through such initiatives as the new science and technology campus in my constituency. Will the Secretary of State confirm that he supports that initiative and describe what practical help he can give to that excellent plan, because it is going to be an important development for the knowledge economy in south-west Wales?

Mr. Hain: I agree with my hon. Friend that the Swansea university innovation centre, which is in his constituency—and in our proud borough of Neath Port Talbot as well—represents a major breakthrough. That the university has been able to establish a new centre of innovation, in partnership with the business community and with the support of the Welsh Assembly Government, will help the whole area to go up an extra tier and ensure that the Swansea bay area, including Neath Port Talbot, can drive forward exactly as the Government want the economy to drive forward in relation to the digital economy, the low-carbon economy and the jobs of the future. All that would be put at risk by cuts in investment in precisely that sort of project.

Mrs. Cheryl Gillan (Chesham and Amersham) (Con): Will the Secretary of State explain why, in the deepest economic downturn since the '30s, his Labour colleagues in Cardiff, in the first half of the financial year, used less than a quarter of the business support programme money available to them for assisting our hard-pressed Welsh businesses?

Mr. Hain: What is interesting about the Welsh Assembly Government is that they have driven forward a series of imaginative business support programmes in all areas, including in European funding, which has helped to—*[Interruption.]* I am sorry about that; it was my wife calling in the middle of questions! That has helped to ensure that the Welsh economy is now recovering from, as the hon. Lady has said, the deepest recession for a very long time—at least since the 1930s. Company liquidations are down from the numbers in the 1980s and 1990s; employment levels are much higher; and housing repossessions are much lower. All that shows that the partnership between the Welsh Assembly Government and the UK Government is delivering for Wales.

Mrs. Gillan: I thought that that was the Secretary of State's Plaid partners pulling his strings, rather than his wife calling.

The fact is that, under Labour, the cost of business regulation has soared, and against the rest of the UK, Welsh gross value added has fallen and the wage gap has risen. That is the appalling record that is the reality of Labour in power in Wales today. Has not this underspend—I noticed that answer came there none—come at a crucial time? It is another example of Labour's economic incompetence. The money was there. Why did Labour not spend it?

Mr. Hain: Employment is still much higher than when we came to power; there are 90,000 more jobs than when the Tories were in power in Wales; housing repossessions are lower than during the financial crisis that the Tories dealt with; business bankruptcies are significantly lower; economic activity is rising; and the latest report from the purchasing managers index shows that economic activity is rising for the ninth consecutive month.

It is very important that the hon. Lady and the House consider the following point. A Conservative Front Bencher—perhaps it was her—told *The Independent* on Monday:

> "We have not had a clear message...There has been no one in charge, no one to take a decision...The last few weeks have been a mess."

She has been describing Tory economic policy, which would be visited on Wales if she got this job.

Mrs. Betty Williams (Conwy) (Lab): Can my right hon. Friend tell the House how many new jobs will be created through the areas enhancement fund, and how will that help the economy of the counties of Gwynedd and Conwy?

Mr. Hain: As my hon. Friend may know, almost 150 businesses will benefit from funding support of between £10,000 and £90,000 that is specifically intended to help new and existing businesses. That will especially assist disabled and disadvantaged employees. The counties of Gwynedd and Conwy will also be assisted in that way, and I look forward to her working with those responsible to take advantage of that opportunity.

Economic Activity

3. **Mr. Robert Goodwill** (Scarborough and Whitby) (Con): What recent discussions he has had with the Secretary of State for Work and Pensions on economic activity in Wales. [315866]

The Secretary of State for Wales (Mr. Peter Hain): Economic activity in Wales has increased by 8 per cent. since this Government came to power in 1997, meaning that 105,000 more people are in work or actively seeking work.

Mr. Goodwill: With a quarter of the working-age population in Wales economically inactive, Wales is faring worse than the other nations in the kingdom. Will the Secretary of State tell me how many of those currently working part time do so not through choice, but because they cannot find a full-time job?

Mr. Hain: Some clearly have been working part time rather than taking a full-time job, given the economic recession, but they would be looking to move into full-time work—not all, but some. I am surprised that the hon. Gentleman has raised that question, because he will know that the number of people on incapacity benefit tripled under the previous Conservative Government, from around 800,000 in the UK to 2.5 million. Many of those people were in Wales—former miners and others were just pushed on to incapacity benefit—whereas under Labour the figure has fallen by a fifth in the past 10 years. Some 52,000 fewer people have been on incapacity benefit in the past 10 years in Wales, specifically as a result of the jobs programmes that we have put in place to support people with a disability to get back into work. All that would be jeopardised by Conservative cuts.

Julie Morgan (Cardiff, North) (Lab): When GE Healthcare in Fforest Fawr in my constituency announced major restructuring last year, there were fears for the loss of highly skilled jobs in laboratories and in medical technology. Does my right hon. Friend welcome the news that all those threatened job losses have been averted, and that in fact there has been a net increase in the number of highly skilled jobs in the Cardiff area?

Mr. Hain: I certainly welcome that, and my hon. Friend's role in supporting that initiative and its successful outcome is much to be commended. That shows how a Welsh Assembly Government led by Labour in Cardiff and a UK Government led by Labour here in Westminster, working together, can save jobs. Even today, we have heard about 200 new jobs at L'Oréal at Llantrisant, with a total investment of £7 million from the Welsh Assembly Government. That is good news for local workers, and it is the result of Labour investment, which would be put at risk if the Tories got into power and started their cuts programmes.

Mr. David Jones (Clwyd, West) (Con): Given that recently published figures show that economic inactivity in Wales is worse than in any other part of the UK, that three Welsh local authority areas are among the five poorest in the country, and that Wales has the highest rate of severe child poverty of all the home nations, what did the Secretary of State have in mind when he boasted last week that

"Wales is still a wealthy country"?

Complacent or what?

Mr. Hain: Does the hon. Gentleman not agree that, compared with Rwanda and most countries in the rest of the world—this is the point that I was making, if he had not chosen to take that quotation out of context—Wales is indeed still a wealthy country? Yes, we have suffered setbacks in the past few years, but we suffered terrible setbacks in the '80s and '90s. One of the reasons why we are in a strong position is that we have moved forward with investment to support businesses and the economy. That is one of the reasons why the number on incapacity benefit in Wales has come down by more than a fifth, when under the Conservatives it rose year on year.

Open Source Software

4. **Nia Griffith** (Llanelli) (Lab): What steps he has taken to implement the Government action plan for open source software, open standards and reuse in his Department. [315867]

The Parliamentary Under-Secretary of State for Wales (Mr. Wayne David): The Wales Office obtains its IT services from the Ministry of Justice, which follows the Government's action plan for open source software. The Wales Office uses open source software to maintain its website, which hon. Members can find at www.walesoffice.gov.uk.

Nia Griffith: I know that my hon. Friend agrees that we need to get the best value possible for the taxpayer while also protecting front-line services, so what further savings can he suggest in his Department, and what talks can he have with Welsh Assembly Government Ministers about further savings that they could make by implementing the Government's open source software action plan? There are sensible savings on this side, compared with chaotic cuts on the other side.

Mr. David: My hon. Friend is correct to stress the importance of open source software. It is an example of co-operative values in a modern context, and of computer programmes across the world coming together to improve access to the internet. Of course, saving money is also extremely important, and the open source approach can provide best value for money to the taxpayer in delivering public services. We are discussing this at Welsh Minister level and with Whitehall Departments, and it will be an issue that we will raise constantly with the Welsh Assembly Government.

Mark Pritchard (The Wrekin) (Con): Going one step further, has the Minister considered the benefits of cloud computing to ensuring that value for money is delivered, and that the quality, effectiveness and efficiency of public services are also delivered?

Mr. David: Yes, and value for money is central to the Government's programme. This marks a sharp contrast to the crude cuts that are being articulated by the Conservatives. We need to ensure that we have efficiency and value for money, as well as dramatic change and modernisation. We do not want crude, harsh cuts.

Paul Flynn (Newport, West) (Lab): The Minister is aware that in the fenland area of rural Newport local firms are being hampered by the lack of broadband. Will he increase his efforts to provide it?

Mr. David: I was in Newport on Monday, and I saw good examples of companies that are thriving, admittedly in difficult circumstances. This registers the dramatic

improvement that is taking place. One company that I visited is EADS, and it is a good example of that improvement. It is also necessary to maintain investment and to think strategically about how we can modernise the economy to meet the challenges of the world. That is why the Government's programme of digitisation is so important.

Flood and Water Management Bill

5. **Miss Anne McIntosh** (Vale of York) (Con): What recent discussions he has had with the Welsh Assembly Government on the implications for Wales of the provisions of the Flood and Water Management Bill. [315868]

The Parliamentary Under-Secretary of State for Wales (Mr. Wayne David): My right hon. Friend and I have regular discussions with Welsh Ministers on the implications for Wales of the whole of the UK's legislative programme. This Bill is very much a cross-border Bill, and it is a good example of the Government and the Welsh Assembly Government collaborating to benefit those on both sides of the border.

Miss McIntosh: I thank the Minister for that reply. We welcome the Flood and Water Management Bill, but we are concerned by a number of potential cross-border issues relating to how the flood risk management strategy for Wales might impact on England. What assurance can he give the House today that those issues will be dealt with timeously, transparently and sensitively?

Mr. David: I can provide the assurance that the cross-border issues will be central to the implementation of this legislation. It is clear that, right from the start of the discussions with the Welsh Assembly Government, there has been close co-operation between us, and a recognition on both sides of Offa's dyke of the need to ensure that our policies dovetail, overlap and pull in the same direction. This is a good example of the kind of partnership that devolution is all about, and it is in sharp contrast to what would happen if the Conservatives were in power.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Does the Minister agree that not-for-profit companies such as Dwr Cymru should be allowed to invest in infrastructure as they see fit in order to improve customer service? An example is the proposal for much-needed storm drainage in Llanelli, which has been rejected by Ofwat as offering poor shareholder value.

Mr. David: Investment is always important. Dwr Cymru, despite recent difficulties, illustrates how a forward-looking company that is organised in a progressive way can make a meaningful intervention. Investment in this area is extremely important, and one of the most positive examples of recent times has been the £6.1 million of European funding for flood and coastal defences across Wales. Given the hon. Gentleman's attitude towards Europe, I suggest that funding such as that might be put at risk, were his party to get into power—*[Interruption.]*

Mr. Speaker: Order. There are far too many private conversations taking place in the Chamber. It is unfair to the hon. Members asking questions, and to the Ministers who are answering them.

Shop Direct

6. **Lembit Öpik** (Montgomeryshire) (LD): What representations he has received on the effect of the proposed closure of Shop Direct in Newtown on the economy of Montgomeryshire; and if he will make a statement. [315869]

The Secretary of State for Wales (Mr. Peter Hain): My hon. Friend the Under-Secretary of State for Wales met the hon. Gentleman and representatives of the company earlier this week to discuss the serious situation. The Government will take action to provide retraining and new work opportunities.

Lembit Öpik: I thank the Secretary of State and the Under-Secretary for their considerable help so far in contacting the local mayor, Joy Jones, and local Councillor Richard White, who are helping me to save this site. I am now approaching other firms to offer Newtown's Shop Direct premises as a going concern. Is the Secretary of State willing to intervene directly, as it seems to me that that would increase the chances of making such a transfer in order to save 180 jobs?

Mr. Hain: I will certainly do all that I can, as will my hon. Friend the Under-Secretary, to help the hon. Gentleman, who I know has been working energetically to try to save that company and the maximum number of jobs that he can. He will be aware that the claimant count unemployment in Montgomeryshire has fallen consistently over the past four months and now stands at just 2.5 per cent. There are also some job vacancies, but the priority must be to save what we can; we will work with the hon. Gentleman as closely as we can.

Bank Loans

7. **Bob Spink** (Castle Point) (Ind): What discussions he has had with ministerial colleagues on steps to improve the availability of bank loans for businesses in Wales. [315870]

The Secretary of State for Wales (Mr. Peter Hain): Through the National Economic Council, I have regular discussions with ministerial colleagues to try to ensure that businesses in Wales can access the funds they need.

Bob Spink: Will the Government use their considerable clout with the banks to get more liquidity into small and medium-sized enterprises? The banks are withholding overdraft facilities and funding for decent, good, sound companies and subcontractors, forcing them to the wall. The banks still do not get it.

Mr. Hain: I understand the frustrations that the hon. Gentleman, who has been a tireless advocate on this issue, is expressing, but the truth is that the Bank of England says that there is now more bank lending and that we have intervened with banks such as RBS in which we have a stake to ensure that they are pressed into lending extra finance. The truth is also that the Welsh economy and the British economy as a whole have started to recover from this deep recession, because of the actions that the Government have taken. I hope that the hon. Gentleman supports what this Government have done, as opposed to the disastrous policies that the Tories would follow if they were in power.

Nick Ainger (Carmarthen, West and South Pembrokeshire) (Lab): My right hon. Friend will know that the construction industry in Wales has suffered during the recession and that this is partly due to the banks' restricting lending in this sector—despite there being a significant demand for housing and despite the fact that the banks have received billions in taxpayers' support. Will my right hon. Friend raise this issue at tomorrow's economic summit in Llanelli, where Welsh Assembly Members and other colleagues will be in attendance, to ensure that lending is released to the construction industry, so that we get skilled workers back in work?

Mr. Hain: Yes, of course I would be happy to raise this matter, which has been a source of continuing agenda discussion at recent economic summits in Wales. We will certainly discuss the issue tomorrow in Llanelli, and I will bring my hon. Friend's arguments to bear because the construction industry is vital. The investment that we are putting in will see more and more construction jobs, all of which would be put at risk if the Tories got into power.

Mr. Speaker: Order. There is still far too much noise. I am sure that the House wishes to hear Mr. David Davies.

Severn Bridge

8. **David T.C. Davies** (Monmouth) (Con): What recent discussions he has had with the Secretary of State for Transport on the operation of the Severn bridge. [315871]

The Parliamentary Under-Secretary of State for Wales (Mr. Wayne David): Short and not so sweet! The effective operation of both Severn bridge crossings is a priority for all travellers using this vital route to and from Wales—something that both the Secretary of State for Transport and I fully recognise.

David T.C. Davies: Will the Minister explain why users of the Severn bridge will have to pay an increase in charges, whereas users of the Humber bridge, thanks to Government intervention, will not? Why is Wales being discriminated against? Is it because the Secretary of State for Wales would prefer to compare us to Rwanda rather than to other regions of the United Kingdom?

Mr. David: I have to ask whether the hon. Gentleman is seriously suggesting that the Government spend billions of pounds of taxpayers' money on subsidising the Severn crossings. I have to say that he is a classic example of two-faced Tories—*[Interruption.]* Yes, they suggest savage cuts one moment, while promising to spend billions the next.

Jenny Willott (Cardiff, Central) (LD): Although this is the 21st century, it is still the case that the Severn bridge toll can only be paid in cash. Because the toll is rising so fast, it is becoming trickier and trickier to have enough change. Is it not time to alter the law, so that travellers can pay not only in pounds and euros, but by credit card?

Mr. David: That is a good point. Credit card payments are, in fact, being introduced for that reason. I pay tribute to, in particular, my hon. Friend the Member for Newport, East (Jessica Morden) for her tireless campaigning. As a direct consequence of her intervention, work is under way to make the necessary arrangements for secondary legislation.

Dairy Produce

9. **Michael Fabricant** (Lichfield) (Con): What recent discussions he has had with ministerial colleagues on marketing Welsh dairy produce overseas. [315872]

The Parliamentary Under-Secretary of State for Wales (Mr. Wayne David): The United Kingdom and Welsh Assembly Governments continue to support Welsh farmers' promotion of their first-class produce overseas.

Michael Fabricant: Has the Minister had the near-orgasmic experience of trying Rachel's yoghurt, made in Aberystwyth, or perhaps of eating Llanboidy, Perl Wen or Llangoffan cheese from Wales? What action is he taking to ensure that those culinary delights are spread throughout Europe?

Mr. David: We are doing a tremendous amount in that regard, in partnership with the Welsh Assembly Government. *[Interruption.]*

Mr. Speaker: Order. I want to hear the Minister's answer.

Mr. David: I am sure you do, Mr. Speaker, and I shall do my best to ensure that you do.

Let me give a couple of examples of the excellent work that is being done. Welsh food and drink producers will be at the Gulfood trade exhibition in Dubai this month—and of course I must add, as Members would expect me to, that Caerphilly town and borough councils are doing their utmost to promote Caerphilly cheese. It is the best cheese in Europe, Mr. Speaker, and I should be happy to give a piece to you and to the hon. Member for Lichfield (Michael Fabricant).

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [316556] **Dr. Brian Iddon** (Bolton, South-East) (Lab): If he will list his official engagements for Wednesday 10 February.

The Prime Minister (Mr. Gordon Brown): I am sure that the whole House will wish to join me in paying tribute to Private Sean McDonald and Corporal Johnathan Moore from 1st Battalion The Royal Regiment of Scotland, attached to 3rd Battalion The Rifles, and to Warrant Officer Class 2 David Markland from 36 Engineer Regiment, Royal Engineers. These were men of great character and commitment, whose loss is already keenly felt by their colleagues. I want to pay tribute, on behalf of the whole House, to their courage and dedication. We think of their families and friends, and their sacrifice will not be forgotten.

This morning I had meetings with ministerial colleagues and friends. In addition to my duties in the House, I shall have further such meetings later today.

Dr. Iddon: I am sure that the whole House is at one with the Prime Minister in sending our sincere condolences to the relatives and friends of the brave servicemen who have lost their lives in serving this country.

I am astonished at the orchestrated campaign of opposition to our social care plans that seems to have been mounted in some newspapers this morning, supported by Tory councillors and BUPA, especially as the Conservatives did not oppose those plans when they were before the House. Will my right hon. Friend commit himself to continuing the fight to improve the lot of some of our most vulnerable citizens, the poorest pensioners in the country?

The Prime Minister: I am passionately committed, as are the Government, to finding a better way of ensuring security and dignity for the elderly generation in retirement. That means not just providing institutional care of the highest standard, but helping people to stay in their own homes for as long as possible with as good amenities as possible. I hope that there will be all-party support for the Bill that is now going through the House of Lords, and has already been through the House of Commons, because it will enable us to make urgent need payments to all people—whatever their income—who need the very highest level of care in their homes. It will take time to develop a full social care system for the future, but it is in our interest to establish a consensus in the country, about how we can move forward to a better system for every elderly person.

Mr. David Cameron (Witney) (Con): May I join the Prime Minister in paying tribute to Corporal John Moore, Private Sean McDonald and Warrant Officer David Markland, who have been killed in Afghanistan this week? Their deaths mean that more people have now died in this conflict than were killed in the Falklands war. That is a measure of the scale of the sacrifice being made. Our armed forces need to know they have all our support in the vital work they are doing.

May I return to the question asked by the hon. Member for Bolton, South-East (Dr. Iddon)? This morning local councils controlled by all parties have said that the Prime Minister's social care plans are "unclear" and "unfunded", that they will lead to "possible cuts" and "rises in council tax", that they have "major weaknesses", and, crucially, that they will falsely

"raise expectations among many of the most vulnerable".

Everybody wants to do more to help with care, but why does the Prime Minister think that so many of the people responsible for delivering this policy are so completely unconvinced by what he has put forward?

The Prime Minister: The right hon. Gentleman's party supported this Bill as it went through the House of Commons; I do not know whether he has done another policy U-turn over the last few hours. We have set aside £670 million in the next year; £420 million will come from the health service for providing that care for urgent needs. I know how much the right hon. Gentleman likes personalising politics, and of course I know how he hates Punch and Judy politics; I also know how much he wanted to build a consensus—such as we had, for a week, on the economy—but surely it is in the interests of this House that we are united in the way we help old people in their own homes. Surely a party that supported the policy one week should not be opposing it the next week.

Mr. Cameron: If the Prime Minister is going to have pre-prepared jokes, I think they ought to be a bit better than that one—probably not enough bananas on the menu. We have consistently raised questions about the funding of this policy, and just this morning the response to a freedom of information request from the Treasury shows that it could put £26 on the council tax. I have to say to the Prime Minister that it is not just Labour councillors who are angry about the way the policy has been put forward, but Labour peers as well. Lord Lipsey was a member of the Government's own care commission, and he says that this is

"one of the most disorderly pieces of government I have ever seen".

Lord Warner, who was one of the Government's Health Ministers, described the policy as a "cruel deception" of the elderly, the vulnerable and families. So can the Prime Minister explain why Labour councillors, Labour advisers and Labour Ministers are all angry about his mishandling of this?

The Prime Minister: When the right hon. Gentleman knew what Lord Warner and others had said about it, why did his party support it in the House of Commons? *[Interruption.]* He cannot one day say he supports a policy, and the next day have a completely different policy, on a very important matter. *[Interruption.]*

Mr. Speaker: Order. I apologise for interrupting the Prime Minister, but there is far too much noise in the Chamber. I want questions and answers to be brief and focused on Government policy, and I want to get down the Order Paper. Let us have a bit of order, for the Prime Minister and others.

The Prime Minister: We have had U-turns every month—every day of the month—from the Conservatives. They said it was moral cowardice not to cut and tear up our Budget for 2010, and then they changed their minds and took a different position. On this issue, are they really going to say to the elderly of this country that they voted for this measure in the House of Commons, they have urged their people in the House of Lords to vote for it as well, and now they are refusing to support what we are doing to give local authorities and the elderly an extra £670 million a year? As I understand it, the shadow Health Secretary asked for talks with the Secretary of State for Health so that there could be consensus on this issue. It was only last night that they broke the consensus. They had to take down a poster that they had at the beginning of the year because it was not authentic—and they will have to bring down their new poster, because it is simply wrong.

Mr. Cameron: What we want to know is: where is the money coming from? People who have worked very closely with the Prime Minister are completely opposed to the way this is being done. Let us try Andrew Turnbull. He was Cabinet Secretary, and he was permanent secretary for four years. *[Interruption.]* The

Prime Minister waves him away, but Andrew Turnbull probably knows this Prime Minister better than anyone else, and he says this:

"It is doubly objectionable. It is objectionable in process and it is objectionable in substance."

He also says:

"It's a classic Gordon Brown dividing line":

"politically expedient", "poorly costed" and "badly constructed." Why does the Prime Minister think Lord Turnbull has got it wrong?

The Prime Minister: Why does the right hon. Gentleman not address the policy issue? We have provided £420 million from the NHS for social care for urgent needs. We are providing £250 million from local authorities for efficiency savings. If he agrees with the local authorities and thinks that that is impossible, why is it his policy to freeze the poll tax by demanding hundreds of millions more savings from local authorities? Nothing he says adds up; nothing is consistent. He changes his policy almost every hour.

Mr. Cameron: The fact is that it is Labour councils that are telling the Prime Minister that his policy does not add up. It is perfectly clear what the Prime Minister is doing: he wants to tell us about the benefits of the policy before the election, and the costs of the policy after the election. This is not about the benefit of the elderly; it is about the benefit of the Labour party. He wants to concentrate on the detail, so let me ask about the details of his social care plans. Will he say whether he is ruling out all forms of a compulsory levy, means-tested or not, that elderly people would have to pay? Is he ruling that out?

The Prime Minister: The right hon. Gentleman should read the White Paper that we put forward, which sets out all the various options before us—*[Interruption.]* The Conservatives can make all the noise they want, and they can put up all the posters, but they have absolutely no policy to deal with the problems. They have no substance, they have no judgment—but they can hurl insults. They are not the new politics; they are the same old Tories.

Mr. Cameron: I have the paper right here, and one of the options is a £20,000 levy on every elderly person in this country, except the very poorest. That is what it says. Let me ask the Prime Minister again: will he rule out any form of compulsory levy on the elderly? Yes or no?

The Prime Minister: If the right hon. Gentleman reads the White Paper, he will see that he has not reported it correctly. He should read the whole chapter, so that he sees what it means. Once again, what positive policy has come from the Conservative party? He has been the leader of the Conservative party for four years. He has put up lots of posters, he has lots of soundbites, but there is no policy coming from him. When we are dealing with social policy—*[Interruption.]*

Mr. Speaker: Order. I apologise for interrupting, but there is too much noise. The decibel level is too high. It must go down, and it must go down now.

The Prime Minister: When we are dealing with social policy, we seek consensus in this country. Where we can find consensus, we find it. The Conservatives have deliberately broken the consensus that existed, even after they voted for the Bill in the House of Commons.

Mr. Cameron: The Prime Minister keeps saying, "Read the White Paper." Actually, it is a Green Paper, and I have it here. He wants a question about the detail. It says:

"people might need to pay around £17,000 to £20,000 to be protected under a scheme of this sort".

Let me ask him one final time: are such levies ruled in or ruled out? He says that he wants consensus, and the fact is that there is consensus. Labour advisers, Labour Ministers and Labour councils all think that he is doing this to set up cheap dividing lines before an election. One last go: are you going to do a levy? Rule it in or rule it out.

The Prime Minister *rose—*

Hon. Members: Answer!

Mr. Speaker: Order. Hon. and right hon. Members on both sides are far too excited, and they must simmer down.

The Prime Minister: The wall of noise will not disguise the fact that the Conservative party has absolutely no policy on an issue that is vital to the needs of the elderly for the future. This is a big challenge that this country faces because of the demographic changes that are taking place and the needs and ambitions of old people. I have to conclude that, when it comes to dealing with big areas of policy, this is no time for a novice.

Q2. [316558] **Mr. Gordon Marsden** (Blackpool, South) (Lab): Will the Prime Minister congratulate the organisers of Showzam, Blackpool's new festival of circus, magic and variety in our winter gardens and tower? Does not this Government's funding for Blackpool's regeneration and for our new sea front, trams and headlands, alongside the Sea Change initiative, demonstrate his support for and strength in the regeneration of all our seaside towns?

The Prime Minister: I applaud the way in which my hon. Friend has promoted the development of Blackpool and all the seaside towns. The Sea Change programme has benefited 32 seaside resorts, and there has been £38 million in extra funding—money that would not be available if there were ever a Conservative Government. Regional development agencies are helping coastal towns to fulfil their economic potential—again, RDAs that would be abolished under a Conservative Government. We will do more to help the coastal towns, and employment in those towns, but that cannot be said of the Conservative party.

Mr. Nick Clegg (Sheffield, Hallam) (LD): I add my expressions of sympathy and condolence to the family and friends of Warrant Officer Class 2 David Markland from 36 Engineer Regiment, and Corporal John Moore and Private Sean McDonald from the Royal Scots Borderers, 1st Battalion the Royal Regiment of Scotland, all of whom tragically lost their lives serving so bravely in Afghanistan this week. Reports that wounded soldiers will receive better compensation is a glimmer of good

news on the day that we hear that injured veterans are having to pay for their own treatment abroad. Let me ask the Prime Minister about another hidden scandal that faces our troops. Why are our soldiers who are serving on the front line in Afghanistan receiving thousands of pounds less in basic pay than a new recruit to the police or fire service?

The Prime Minister: First of all, I have to assure the right hon. Gentleman that the new recommendations on the compensation scheme that are being prepared by Lord Boyce—and, I believe, welcomed as a review by the Royal British Legion—will extend compensation in a number of areas where there has been controversy in the past. We want to do the best we can by soldiers who are wounded. The Secretary of State for Defence will announce, later this afternoon, how the armed forces compensation scheme will be improved and in what areas, and how it will do more, particularly for award levels below the current high of £570,000. We will also introduce a faster interim payment. As for the pay of the troops, we have been determined to raise the pay of our forces at a higher rate than that of the other public services. I can tell the right hon. Gentleman that for the lowest-paid troops, there was a 9 per cent. rise a year ago. I can also tell him that there is a theatre allowance, and that there is a withdrawal of any requirement to pay council tax while they are in Afghanistan. We are doing everything we can to ensure that our troops are not only well paid, but properly equipped for the challenges ahead.

Mr. Clegg: Thousands of servicemen and women are about to put their lives on the line in the biggest offensive yet in Afghanistan. They have been stretched to the limit by a Government who have got their priorities wrong—employing 800 people to do media and communications for the Ministry of Defence but not giving our brave young soldiers a decent living wage. Is it not time for the Government to get their priorities right? They should cut the bureaucrats and pay our soldiers what they deserve.

The Prime Minister: We have always accepted the recommendations of the Armed Forces Pay Review Body, which is set up on an independent basis to take information and evidence and then to make recommendations to the Government. I hope that the right hon. Gentleman will agree, when he looks into this, that we have accepted recommendations that, in the past few years, have been for higher pay rises than elsewhere. I also remind him that 70,000 civilian staff have gone from the Ministry of Defence as we have made the focus of our efforts our front-line services. There will be more civilian redundancies as we use new technology to make available the back-office services that enable the front line to have the best equipment. The right hon. Gentleman cannot deny the fact that £14 billion in urgent operational requirements and additional money, on top of the defence budget, has gone to our troops, particularly for Iraq and Afghanistan. It really is not fair to tell our troops that they do not have the equipment that is needed when we have done everything in our power. I asked the Chief of the Defence Staff yesterday if the proper equipment was available for any exercises that we had to undertake, and he said that he had checked with those people on the ground, and that was exactly the case.

Q3. [316559] **Dr. Stephen Ladyman** (South Thanet) (Lab): Specialist nurses are going to be vital if we are to meet the Prime Minister's commitment to one-to-one care for cancer patients, as well as helping people with Alzheimer's and Parkinson's disease to stay in their own home. However, we know from the early 1990s that when Governments decide to squeeze NHS budgets, specialist nurses often do not get a look in. Will the Prime Minister guarantee that under his Government, specialist nursing will get the resources that it needs to deliver the standard of health care at home that we Labour Members want to see?

The Prime Minister: We are trying to transform cancer care in our country. Over the next 10 years, £15 billion is being invested in research, much of it in cancer. The cancer guarantee is that people can see a specialist within two weeks. We hope that this will happen within one week, so that people can sometimes have their diagnostic test and results on the same day. We want to introduce a service in which there is personalised care available for those suffering from cancer, so that they can also be visited at home. This is how the modern health service is going to develop—personalised services available to people and tailored to their needs. With the reforms that we have made, that is now possible. I cannot for the life of me understand why the Conservative party is rejecting the cancer guarantee that would allow people to see a specialist within two weeks. I believe that that challenges its very commitment to the health service.

Q4. [316560] **Mr. Douglas Carswell** (Harwich) (Con): Britain wisely stayed out of the euro. There is now a strong possibility that Greece will default on her debts—something that is not our immediate problem. Will the Prime Minister confirm that, at a time when our national debt is rising fast, there is no question of UK taxpayers' money being used to bail out Greece, in any circumstances or in any way?

The Prime Minister: Greece should stick by the commitments that it has made to the European Union and the world. As the House knows, at the G20 conference in London in April we put in place arrangements that could help countries if they were in difficulty. These arrangements are still in place and have been used by some countries. It is up to the euro area to decide what it wants to do in relation to euro area countries, but there is international support available if Greece wishes it.

Q5. [316561] **Ms Karen Buck** (Regent's Park and Kensington, North) (Lab): High-visibility police patrols are the public's No. 1 priority for reassurance and crime prevention. Does the Prime Minister share my concern that the rise of 6,500 police in London in recent years now appears to be going into reverse, with the Mayor of London's draft budgets implying a cut of 455 police officers over his term in office? Will my right hon. Friend do what he can to protect, in particular, our much valued safer neighbourhood police teams?

The Prime Minister: Under a Labour Government there has been an increase of 6,000 police in the Metropolitan Police Service since 1997. We are also proud that there are 4,500 police community support officers available. However, I have to say that for the Conservative party to publish a document on law and order that does not mention police numbers, prison places, CCTV or DNA shows that it is the first Opposition party to run out of ideas even before facing an election.

Mr. Elfyn Llwyd (Meirionnydd Nant Conwy) (PC): Does the Prime Minister regret the inability of his predecessor Mr. Blair to express to the Chilcot inquiry any sympathy or regret for the awful loss of life in Iraq?

The Prime Minister: I know that the former Prime Minister wrote to people at the time and expressed his condolences and sympathies to every family. I also know that on many occasions he has expressed his sadness at the losses that have taken place in Iraq. I say to the whole House that I think that we have been united at every point in mourning the losses of our troops, and also the loss of civilian life in Iraq.

Q6. [316562] **Mr. Gordon Prentice** (Pendle) (Lab): Has my friend visited gordonprenticemp.com today to see how the next election in my constituency is being bought by a tax exile? Does he agree that he needs me here, and that Pendle is not for sale?

The Prime Minister: The Conservative party cannot talk about new politics or transparency unless it answers the central question about the tax status of its chief fundraiser, Lord Ashcroft. The Information Commissioner has already said that the party has been "evasive and obfuscatory" about the Ashcroft scandal. The Opposition have questions that they have to answer.

Q7. [316563] **Mr. Roger Williams** (Brecon and Radnorshire) (LD): The Prime Minister and his noble Friend the Secretary of State for Business, Innovation and Skills are right to believe that a central plank of building a sustainable and prosperous economy is investing in science and research, yet cuts in research budgets are being reported across the country. I am thinking in particular of the Institute of Biological, Environmental and Rural Sciences in Aberystwyth, which is facing cuts of £2.5 million and 70 job losses. If the Prime Minister has any influence with his noble Friend, will he intervene to maintain investment in science?

The Prime Minister: I hope the hon. Gentleman will acknowledge that we have doubled the science budget over the past few years and done more for British science than at any time since the second world war. An innovation fund has been set up to benefit scientists as they develop their innovations and put them into the marketplace. I know that Lord Drayson, the Science Minister, announced today the thousands of jobs that can be created in new scientific industries as a result of our investment, and I believe that universities and science researchers recognise that we have doubled research activity in universities over the past few years.

Barry Gardiner (Brent, North) (Lab): Does the Prime Minister agree that the arrest of General Fonseka in Sri Lanka is yet another indication that the regime of President Rajapakse is sliding into dictatorship?

The Prime Minister: As my hon. Friend knows, a decision was made at the Commonwealth summit that Sri Lanka would not host the next Commonwealth summit. We are aware of the human rights issues that have arisen in Sri Lanka since the fighting that took place with the Tamils. We urge the Government to recognise the human rights of all those who are Tamil citizens in Sri Lanka, and we also urge them to move forward with the reconstruction of the country so that those who have been excluded both from power and from the chances of a livelihood can benefit now.

Q8. [316565] **Mr. Phil Willis** (Harrogate and Knaresborough) (LD): The Prime Minister knows that every five minutes in the UK somebody has a stroke, which will have a devastating effect on those people's lives and on the lives of their families. In Harrogate the Stroke Association has set up a carers resource to support families in their own homes, yet Conservative-controlled North Yorkshire county council has slashed the £35,000 budget, preferring to spend £140,000 on self-congratulatory newsletters. What is the Prime Minister—*[Interruption.]*

Mr. Speaker: Order. I want to hear the question and then the answer. Finish the question, please.

Mr. Willis: What is the Prime Minister doing to ensure that the national stroke strategy is carried out everywhere, but particularly in North Yorkshire?

The Prime Minister: I think, Mr. Speaker, that the hon. Gentleman is saying that the Conservatives have nothing to congratulate themselves about. It is the Government who have published a stroke strategy. It is also the Government who want to introduce a health test so that people can get a health check-up. We believe that that would remove the possibility of hundreds of deaths as a result of strokes or heart disease, and we will introduce that during the next Parliament. *[Laughter.]* The Opposition laugh every time we talk about measures that try to improve people's health in this country. If they were really interested in the health service they would support the new health service guarantees, but because they are not, they cannot bring themselves to support a guarantee that every citizen of this country could get a health check-up, whereas previously they would have had to pay.

Q9. [316566] **Gwyn Prosser** (Dover) (Lab): The port of Dover is the busiest ferry port in the world. I have sailed out of it for 12 years and represented it for the past 13 years. What can the Prime Minister say today to dispel the fabrications and fables being spun by the carpetbagging Conservative candidate, who says that the Government are hell-bent on selling the port of Dover to the highest bidder, and that the highest bidder might be French? *[Interruption.]*

Mr. Speaker: Order. May I gently say—I was trying to hear, but there was a lot of noise—that as far as I am aware, the Prime Minister has no responsibility for the stance taken by Conservative candidates?

The Prime Minister: Thank goodness, Mr. Speaker. It is my hon. Friend the Member for Dover (Gwyn Prosser) who has been a great champion of Dover and its people, and I know that he wants the best for the people of Dover, including a flourishing port. I share that aspiration. There will be no forced privatisation under Labour—[Hon. Members: "Reading!"] We will look for new ways of getting new investment into the port—*[Interruption.]*

Mr. Speaker: Order. I think the seam is exhausted.

Mr. John Redwood (Wokingham) (Con): Why, uniquely among the advanced economies, does the UK have an inflation rate well above target and rising very sharply, when our output is so very flat?

The Prime Minister: If we took the right hon. Gentleman's advice there would be massive cuts in public expenditure. He is the one who says that there should be even more cuts than are being proposed by the Leader of the Opposition. We would lose jobs and businesses, and our economy would go deep into recession again. That is not a policy that the people of this country want. The Conservatives have dozens of policies on this, and the right hon. Gentleman's is the most extreme—but we will follow none of their advice.

Q10. [316567] **Mr. Chris Mullin** (Sunderland, South) (Lab): Will my right hon. Friend confirm that it remains his intention, in the event that this Government are re-elected, to restore the link between old age pensions and earnings, which was abandoned in the early 1980s?

The Prime Minister: It was part of the Turner report's recommendations to reform the pension system. That was originally accepted on an all-party basis by all parties in this House, and we will wish to go ahead with our proposals.

Q11. [316568] **Mr. Andrew Robathan** (Blaby) (Con): As is recorded in column 292 of last Wednesday's *Hansard*, the Prime Minister said that he had no knowledge of a £50,000 slush fund for his leadership campaign, and that that was why it was not registered in the Register of Members' Financial Interests. He has had a week to reflect. Has anything jogged his memory? Would he like to correct the record?

The Prime Minister: All donations to the Labour party are reported by the Labour party, not by me.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): Further to the question asked by the hon. Member for Harwich (Mr. Carswell), and ahead of the European Council, will the Prime Minister confirm that any negotiations involving a bail-out for the Greek economy will be completely confined to eurozone countries, and have no impact on the UK?

The Prime Minister: I have already said that international support is available for countries, as set up by the G20 summit in London in April. That support can be drawn on at an international level. If the euro area wishes to move ahead with a proposal, that is for the euro area.

Q12. [316569] **Annette Brooke** (Mid-Dorset and North Poole) (LD): Recent research has shown that more than 70 per cent. of blind and partially sighted people are unable to access vital personal health information. Will the Prime Minister agree to meet me and a delegation from the Royal National Institute of Blind People, so that we can discuss provisions that could address that shameful inadequacy?

The Prime Minister: GPs are already required, under relevant legislation, to make reasonable adjustments to their written information for patients with a visual impairment. The Equality Bill also contains legislation that will avoid discrimination against people with lesser sight, and anybody with a visual impairment should also be aware that the General Medical Council has issued guidance that doctors must ensure that arrangements are made to meet patients' language and communication needs. We will do everything in our power to improve the services to those with visual impairments, and I would be very happy to meet any delegation that the hon. Lady brings to me.

Alan Simpson (Nottingham, South) (Lab): Does the Prime Minister accept that the welcome international support for eurozone countries facing economic difficulties is undermined by the $8 billion-worth of speculative transactions that are currently taking place against the value of the euro? Does that not reinforce his case for the urgent introduction of a Tobin tax, which could bring to the international table £400 billion per year? That would be as relevant to the developing needs of the poor countries in the south as it would be to avoiding austerity measures in the north.

The Prime Minister: What we want is international agreement to restructure our banking system in the way that is necessary. It cannot be done by one country on its own; it must be done by countries working together. We have put proposals to the G20 whereby we could co-ordinate activity in terms of capital requirements for banks, liquidity ratios and the rewards that they are prepared to pay, but it is also true that the relationship between banks and society needs to change. I have proposed, with other people, that a levy be raised from banks. There is new interest in that around the world, and I believe that over the next period we will reach agreement on a global financial levy. I am sorry that many people opposed it when it was first announced, because I believe that we will be able to go ahead with it in the not too distant future.

Several hon. Members rose—

Mr. Speaker: Order. There will now be a statement by the Foreign Secretary. I would be grateful if, as the Foreign Secretary makes his way to the Dispatch Box, Members who are leaving the Chamber would do so quickly and quietly.

Binyam Mohamed

12.34 pm

The Secretary of State for Foreign and Commonwealth Affairs (David Miliband): With permission, Mr. Speaker, I would like to make a statement to the House on the case of Mr. Binyam Mohamed following the judgment handed down this morning in the Court of Appeal.

The Court of Appeal has ruled that, in the light of disclosures by a United States court in December 2009, which I shall describe below, the seven paragraphs that have been redacted from the original judgment of the divisional court in this country of 21 August 2008 should be published. The seven paragraphs contain summaries of American intelligence relating to Mr. Mohamed's case held in UK files. I accept the Court's ruling, which concludes a very complex, and in various ways apparently unique, case, and I have made the relevant paragraphs available this morning on the Foreign Office website. The judgment is significant not just in respect of the seven paragraphs but for important principles that are at the very heart of both our national security and our democracy.

The facts are as follows. Mr. Mohamed, an Ethiopian national formerly resident in the UK, was detained in Pakistan in 2002. In 2004, he was transferred to Guantanamo Bay. In August 2007, the then Home Secretary and I wrote to the US Secretary of State to seek Mr. Mohamed's release from Guantanamo Bay and his return to the United Kingdom, along with four other UK residents. Mr. Mohamed was released from Guantanamo a year and a half later, in February last year.

In May 2008, Mr. Mohamed brought proceedings against the British Government in an effort to secure disclosure to his legal counsel of any material held by the British Government that might assist in the defence of his case before a US military commission. The question at issue in our appeal against the judgment of the divisional court was not this disclosure, which we supported and secured. It was instead whether intelligence provided, on a confidential basis, by one state to another, in absolute trust that it would be kept secure, should be disclosed into the public domain in the interests of open justice; or whether the breach of trust would be so grave as to endanger intelligence-sharing relationships and therefore affect national security. As I have said in this House on a number of occasions, in this case it was US intelligence and an English court, but it could just as easily be British intelligence in a foreign court. As I have also said to the House, often, at issue in this case was not the content of the seven paragraphs, but the principle of their disclosure by an English court against US wishes.

I am grateful for the consideration that the Court of Appeal gave to the control principle. This principle, which states that intelligence belonging to another country should not be released without its agreement, underpins the flow of intelligence between the US and UK. This unique intelligence-sharing relationship is vital to national security in both our countries. Crucially, the Court has today upheld the control principle. The judgment describes that principle as integral to intelligence sharing. It specifically vindicates the careful assessment that releasing the seven paragraphs without the consent of the United States would have damaged the public interest. It also specifically makes clear that

"this litigation has endorsed the application of public interest immunity and the maintenance of confidentiality over secret information."

This is important for the future of intelligence-sharing with the US and others.

However, on 17 December last year, we received notice of a US court ruling in the case of another Guantanamo detainee, Farhi Saaed Bin Mohammed, which made a finding of fact in respect of Binyam Mohamed's allegations of mistreatment. That judgment does not set out the content of the seven paragraphs per se, but it does include references to the treatment of Mr. Mohamed covered in the seven paragraphs. We brought this to the attention of the Court of Appeal and Mr. Mohamed's counsel immediately. The Court of Appeal today ordered the publication of the seven paragraphs because, in its view, their contents were placed into the public domain by a United States district court. Without that disclosure, it is clear that the Court of Appeal would have upheld our appeal and overturned the fifth judgment of the divisional court. The Court of Appeal was also clear that the judiciary should overturn the view of the Executive on matters of national security only in the most exceptional circumstances. It states that

"it is integral to intelligence sharing that intelligence material provided by one country to another remains confidential to the country which provided it and that it will never be disclosed, directly or indirectly by the receiving country, without the permission of the provider of the information. This understanding is rigidly applied to the relationship between the UK and USA."

I spoke last night to Secretary Clinton about this case, which has been followed carefully at the highest levels in the US system with a great deal of concern. Recent events have shown the importance of the US-UK intelligence relationship in the fight against terrorism; equally, the determination of the US authorities to protect the confidentiality of their intelligence has been absolute throughout this case. We will work carefully with the US in the weeks ahead to discuss the judgment and its implications in the light of our shared goals and commitments.

Mistreatment of prisoners, not to say torture, violates the most basic principles of this country, never mind our national and international legal obligations. There is a fundamental commitment on the part of myself, responsible for the Secret Intelligence Service, my right hon. Friend the Home Secretary, responsible for the Security Service, and the heads and staff of those agencies, to uphold the highest standards of conduct not just for ourselves but with the countries with which we co-operate.

A wide range of allegations have been made during the course of this case. Today some of the facts can be publicised, in some cases for the first time. First, the paragraphs released today describe information received by our intelligence agencies concerning the conditions of Mr. Mohamed's detention by the United States in Pakistan in April 2002. They note specifically that he was subject to sleep deprivation, threats and inducements, that he was held shackled, and that the treatment, were it conducted by the United Kingdom, would be contrary to undertakings first given to this House in 1972. I repeat that it was not conducted by the UK.

[David Miliband]

Secondly, now that they are in the public domain, it will be evident that the paragraphs do not contain information on Mr. Mohamed's most serious claims of mistreatment, notably in respect of alleged genital mutilation, during his detention until his release from Guantanamo last year. We, the United Kingdom, have no information to corroborate those allegations. Those matters have quite properly been raised by Mr. Mohamed in his civil claim for damages and will be addressed there.

Thirdly, during the course of these proceedings, allegations of possible criminal wrongdoing by a British official were made. The Home Secretary referred them to the Attorney-General for her consideration, and they are now the subject of a police investigation.

The most basic values of this country are at issue in the debate that will follow the Court's decision today. Our position is clear: the UK firmly opposes torture and cruel, inhuman and degrading treatment or punishment. This is not just about legal obligations, it is also about our values as a nation and what we do, not just what we say. We have taken a leading role in eradicating torture internationally, both through organisations such as the United Nations and by assisting other countries. Where possible wrongdoing is found, it is fully investigated.

I also want to place on record the fact that we are lucky to have the best intelligence agencies in the world. Their staff are second to none in their commitment and public service. They are respected across the world, and the work that they do to keep Britain safe deserves all our admiration and gratitude.

There is a fundamental myth that needs to be addressed, which is that the security services operate without independent oversight. Ministers and agency heads have the first responsibility for the conduct of their organisations. The Intelligence and Security Committee provides parliamentary scrutiny of agency activities, and independent judicial oversight is provided by the commissioners, who by law must be given access to whatever documents and information they need. Both report annually to the Prime Minister and to Parliament. Then there are the courts, whose role is to protect the rights of individuals and provide recourse to justice when they believe they have been infringed. That they have done, and continue to do, in this case.

Today's judgment is not evidence that the system is broken. Rather, it is evidence that the system is working and that the full force of the law is available when citizens believe that they have just cause. The six judgments in this case, plus a closed judgment, show a seriousness of purpose in our legal system that is a vital part of our system of accountability. We have fought this case and brought the appeal to defend a principle that we believe is fundamental to our national security—that intelligence shared with us will be protected by us. No one likes to lose a case, but the force of the judgment is that it firmly recognises that principle. In doing so, the Court is fulfilling its vital constitutional role, protecting this country and upholding the law.

Mr. William Hague (Richmond, Yorks) (Con): We on the Conservative Benches have always held that the intelligence co-operation between the United States and the United Kingdom is unique in the world and of immense value to both countries, and that its disruption would have serious consequences for our national security. I echo the Foreign Secretary's tribute to the security services.

At the same time, we have consistently argued for full investigation of all credible allegations of UK complicity in torture, and for the Government to find a way in this particular case to balance the needs of national security with the need for justice and accountability in our democratic society. We therefore welcome today's judgment, which upholds the principle of control and the need for openness in this particular case.

The alleged treatment of Binyam Mohamed described in the seven paragraphs now released by the Foreign Office is so utterly unacceptable, and the alleged treatment described in the US court judgment in December so dramatically unacceptable, that if true, they are not only morally wrong but will harm our efforts to combat terrorists, play into the hands of their propagandists and weaken, rather than strengthen, our national security.

We have always believed that the principle of control could be upheld while seeking an exception in this case from the United States. The Foreign Secretary will recall that I put to him in the House a year ago this week that the Government could have positively asked the US for permission to publish these paragraphs. If they had done so, and if the US had agreed, we would have arrived at the same outcome as today's Court judgment, without a further year of legal proceedings, more quickly and smoothly, and in a way that left the Government less open to the attack that they were withholding from the public evidence of complicity in torture. Does not the fact that the relevant information has been published anyway in the US strengthen our case that that would have been the right course of action a year ago?

In other respects, we agree with the Foreign Secretary's statement, particularly on maintaining the principle of control of intelligence, which, indeed, the Court ruling reaffirms and which we fully support. He has long argued that the intelligence-sharing relationship would be damaged by the release of these paragraphs. Is it still his view that that relationship will be damaged now that the information has been published? Can he say whether there are any other cases pending involving allegations of torture, in which he expects the principle to be challenged? In the light of the failed Detroit bomb attack and the serious threat at the moment to both the UK and the US from terrorism, can he assure the House that the sharing of information at this critical time has not been affected in any way? Have any other countries with which we share intelligence warned that they will reconsider the basis on which they share information in the light of today's developments?

My final set of questions concerns the overriding need to draw a line under this episode and restore the UK's moral authority in the matter of allegations of complicity in torture. As the Court ruling states,

"the rejection of torture…has a constitutional resonance for the"

British

"people which cannot be overestimated."

Many of us have criticised the use of extraordinary rendition and the possibility that it can sometimes lead to torture in a third country. The US court ruling,

which was decisive in making the Court of Appeal here change its view on publication, states unequivocally that, as a matter of fact, Binyam Mohamed was tortured over a period of two years. Do the Government now accept that statement? The Foreign Secretary has confirmed that the police are currently investigating possible criminal misconduct in the case of Binyam Mohamed. Will the right hon. Gentleman confirm whether there are additional investigations into other, parallel cases, and how many cases the Attorney-General is reviewing?

This case has come to epitomise the challenge of international terrorism and how we deal with it. However difficult that challenge is, we must be clear that winning the battle against the perpetrators of terrorism and their ideas requires moral as well as military strength. The Government must be able to assure the country and the world that a line has been drawn, that we are far more confident that allegations of complicity in torture cannot be made against the UK in future, and that all the necessary lessons of this episode have now been learnt.

David Miliband: I concur with the right hon. Gentleman that this case has come to symbolise or epitomise some of the most difficult issues raised by the terrorist campaign in the nine years since 11 September 2001. It has also come to symbolise some of the key judgments that need to be made on how to ensure that our values and security are brought together. It is absolutely the case that the shared commitment across the House against torture and in favour of meeting all of our commitments in respect of cruel or inhuman treatment is a vital part of making this a safe country—far from undermining that, our commitment goes to the heart of what we are seeking to defend.

The right hon. Gentleman queried the decision not to launch a campaign, as I called it last year, for the release of the documents in the United States. He is right that we did not launch such a campaign, although we were absolutely clear that they must be released to Mr. Mohamed's defence counsel, as indeed they were.

The right hon. Gentleman said that he thought that the same outcome would have been achieved if we had launched a campaign and it had succeeded. That is not entirely the case, because obviously the commitments that the Court has made today about the control principle would not have been made in those circumstances, and those commitments and comments are valuable and important.

I also said to the right hon. Gentleman last year, and I stick by it today, that the United States Administration under President Obama have shown clearly their commitments in respect of anything that resembles torture or inhuman treatment. They are reviewing all the cases and they have clearly decided, so far, not to release the documents. The paragraphs released today are summaries of the US intelligence that we hold, not the actual documents, so I do not think that it would have been right for us to launch such a campaign. Apart from anything else, it would have suggested a degree of uncertainty about the commitments that the US Administration made that would not be merited.

The right hon. Gentleman asked an important question about any chilling or constraining effect that this case might be having, has had or will have on intelligence sharing. That is of grave concern to me, the Government and the whole country. I said in my statement that we would work with the US Administration, not just the State department but across all aspects of the US Government, to analyse this judgment; to understand its implications; to draw attention to the commitments that the Court makes in respect of the control principle; and also to discuss how we continue to defend that principle in the future. I am clear that it is an important job for me and for my colleagues to minimise any potential effect on the intelligence-sharing relationship, not least given the recent events that show how important it is, but it is too early to say that there will be no such effect and we need to work to ensure that that is indeed the case.

The fact that the Court of Appeal has so clearly said that it was the disclosures in a US court that led it to make its decision today that the seven paragraphs should be published is obviously a material aspect in the discussion about whether the control principle has been breached.

The right hon. Gentleman also asked about the judgment of facts that the US district court made. We await the US Government's view on whether those are indeed matters of fact, as they have not yet corroborated or committed to that, but we obviously recognise that, as far as the court is concerned, they have been established as a matter of fact and it is not for us to query the judgment of the US court in that respect.

One key aspect of any lessons drawn or consequences arising from this case concerns the following three allegations that have no truth at all. First is the allegation that there is no oversight of the security services in this country. That is wrong. The second allegation is that it is our policy, if not to torture or commit acts of inhuman treatment ourselves, then to be complicit in them. That is not true. It is also not true to allege that, if possible wrongdoing occurs, it is covered up. This case shows clearly, in the work of the Attorney-General and the courts, that this country is committed to upholding all its commitments, and it does so for very good reason.

Mr. Edward Davey (Kingston and Surbiton) (LD): I thank the Foreign Secretary for his statement, and echo his support for our excellent security services and his emphasis on the importance of our close relationship with our American allies, but given that one of the most senior judges in the land has openly criticised the Foreign Secretary and his legal representatives for accusing other judges of being irresponsible, and dismissed the Government's appeal, the Foreign Secretary should have been more contrite in his statement today.

The Liberal Democrats also respect the control principle for the way in which foreign intelligence is handled, but unlike the right hon. Gentleman—and like the right hon. Member for Richmond, Yorks (Mr. Hague)—we believe that the Government had a duty to ask the American authorities at the highest level whether they would release this information. Given the gravity of the accusations and the information that has now been published, one would have thought that that was exactly the right thing to do.

I turn to the content of the seven paragraphs that the Foreign Secretary has been forced to publish today. Is it not now clear that the British authorities knew that the US was using torture techniques against Binyam Mohamed? Will the Foreign Secretary now tell the House what steps the British Government took at the time to deplore

[Mr. Edward Davey]

that use of torture? What steps did they take to ensure that Britain was not complicit in that torture? Will he guarantee today that at no stage in this case was Britain in breach of either our domestic or international obligations on torture?

Anyone who has followed this case closely, including the evidence given by the Security Service officer involved to the courts, will recognise that knowledge of the American use of torture did not remain within the secret service but was almost certainly passed on to the highest levels of Government. Does the Foreign Secretary know whether Ministers were told that the US was torturing Binyam Mohamed, and when? Will he now ensure that all such evidence is given to the police in charge of investigating allegations of British complicity in torture in this case?

I accept totally that the Foreign Secretary fought this case for honourable and just reasons, but will he now take another honourable step, given this and other allegations of British complicity in torture, and set up a wide-ranging judicial inquiry?

David Miliband: I am glad that the hon. Gentleman welcomes the work that is done by the security and intelligence services and salutes that work, but he does himself no justice by asking questions that he knows I cannot answer, because of the legal circumstances, or by repeating as questions allegations to which he knows the answer. He asked about the case involving so-called witness B. He knows that I cannot talk about that case because it is currently in front of the courts. It is not right to seek answers to questions that could prejudice an ongoing police investigation.

The hon. Gentleman also asks whether the police have been given access to all the relevant papers, and he knows very well that all the relevant papers have been handed over to the police, because that is the basis on which the Attorney-General made her decision to ask for a police investigation.

The hon. Gentleman also asked what the effects—I think that that was the word he used—of this case would be. It depends how the debate is carried forward, but he will know from the successive reports of the Intelligence and Security Committee that significant changes have been made in the nature of the guidance that is issued to our security and intelligence service personnel and the way that policy is promulgated. As well as the generic issue, individual cases have been examined and set out by the Committee. Its recommendations have been followed and the Government have said clearly what they have done in that respect.

One outstanding issue concerns the publication of the reformed guidance in the light of the Binyam Mohamed case. That is currently sitting with the Intelligence and Security Committee, as the Prime Minister promised the House that it would, before publication.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): Is the Foreign Secretary aware that many people listening to this debate will be surprised to hear him describe the Court ruling as a vindication, when in fact he has been forced to reveal information that he has struggled for a long time not to reveal—even when it was legally available in the US? Is he aware that it cannot be right to describe the information released today as clearing the Government of any involvement, past or present, in extraordinary rendition—and thus complicity in torture? He must be aware that, whatever is happening now under a new US Administration, there are still questions to be answered about past British involvement in extraordinary rendition and thus in torture.

David Miliband: The vindication is of the control principle, and that was made clear by the Court. The Court also makes it clear that, in the absence of the American judgment of December 2009, it would have found in favour of the Government. That is an important point.

In respect of extraordinary rendition, I do not recognise my hon. Friend's description of UK complicity—

Ms Abbott: There are questions to be answered.

David Miliband: Well, questions have been asked about extraordinary rendition in respect of Diego Garcia. My hon. Friend knows very well that two cases have emerged from studies of the American files. They were immediately publicised to the House in the appropriate way. There may have been subsequent questions, but there have also been answers to each and every one of those questions in respect of Diego Garcia. It is very important that we do not allow the impression to go abroad that there are outstanding issues in that respect—there are not.

David Davis (Haltemprice and Howden) (Con): May I thank the Foreign Secretary for making this statement, because it is good that he did so? Just before he stood up earlier, *The Guardian* published on its website a copy of a letter from Jonathan Sumption QC, his lawyer, raising the matter that the Government are still seeking a redaction—it would appear—from the judges' rulings. I shall read the Foreign Secretary the following short extract from that long letter:

"The Master of the Rolls's observations...are likely to receive more public attention than any other part of the judgments. They will be read as statements by the Court (i) that the Security Service does not in fact operate a culture that respects human rights...(iii) that officials of the Service deliberately misled the Intelligence and Security Committee on this point (iv) that this reflects a culture of suppression in its dealings with the Committee, the Foreign Secretary and indirectly the Court, which penetrates the service to such a degree as to undermine any UK government assurances based on the Service's information and advice; and (v) that the Service has an interest in suppressing information which is shared...by the Foreign Office for which he is responsible."

Will the Foreign Secretary comment on that?

David Miliband: I will comment on it, but it is very important that the facts are on the record, not the allegations, and I hope that the right hon. Gentleman will allow me to go through this. First, it is not correct to say that the Government or, more specifically, the counsel for the Government, sought redactions of the judgment. A redaction suggests that we wanted an item deleted that we accepted was true. Once our counsel had been provided with a copy of the judgment in draft, as is normal practice, he had a real concern that one paragraph set out conclusions that went beyond the evidence presented and raised prejudice in respect of the ongoing case involving witness B. He took the view that that should be brought to the attention of the judges in the case. The three judges examined that letter

and decided to amend the paragraph so that it took the final form that it did; the court concluded that the concern was well founded, so it revised its paragraph in the light of it.

It is very important that we also remember that in open court today the counsel for Mr. Mohamed apologised unreservedly for releasing this private legal document—it is a normal part of legal practice that such correspondence should take place. It is also important that no suggestion is made anywhere to impugn the integrity of the judiciary in making their own judgments. What the judiciary say in a draft judgment or in a final judgment is their business, and their independence is at the heart of their final words. The words that appear today in public are those of the justices in the case, and it is their decision to release them on that basis.

Mr. David Winnick (Walsall, North) (Lab): In no way do I question my right hon. Friend's integrity, but is he aware that for some of us the heart of this issue is simply the question of whether British security officials knew that torture was being applied against Mr. Mohamed by the United States? If no action was taken by us and no information was given to Ministers, that is a stain on the reputation of our country and it should never happen again. It is just not good enough to say that Britain is not a party to torture. If we know that torture is being carried out by our closest ally, we have a responsibility to act, and I am afraid that in the case of Mr. Mohamed we did not do so.

David Miliband: My hon. Friend rightly says that we have responsibilities not only in respect of the conduct of our own officials, but if we come to know that torture, or cruel or inhuman treatment, is being undertaken by others with whom we work. We have a responsibility to act when we have that information and we should do so. A criminal case is being studied at the moment to see whether the actions taken were in accord with the principles that he and I share, as does the whole House. That is how the system should work and that is how it is working. For all the proper talk of lessons, I should also say that significant changes have been made since 2002 in the way in which guidance is offered to all officers, in the way in which they are trained and in the way in which the system is patrolled and policed, and that is the right approach.

Mr. Winnick: At the time?

David Miliband: In respect of what happened at the time, that information is in front of our police at the moment and if they proceed to charges, it will go in front of the courts in order to find out exactly what happened in this particular case.

Dr. Julian Lewis (New Forest, East) (Con): According to comments made by the great theorist of counter-insurgency, Sir Robert Thompson, more than 40 years ago, not only is prisoner abuse morally wrong, but it is lethal to any counter-insurgency campaign. I appreciate that the Foreign Secretary cannot or does not wish to comment on the particular case that is before the courts, but in response to the hon. Member for Kingston and Surbiton (Mr. Davey) can he address the question of what representations the Government made to our American allies more generally when it became known that waterboarding was being used?

David Miliband: I am very happy to say clearly that the Government, as has been detailed in successive Intelligence and Security Committee reports, did follow that up, and not just in terms of our own system and how practices were developed. I think I should set out what happened in a letter to the hon. Gentleman. It has also been documented what did not happen and what should have happened, not in respect of an individual case, but in respect of training and guidance for officials, for example. That means that we are in a much stronger position today than we were in 2001-02, and rightly so. We always keep things under review, and the publication of the current guidance, which is before the ISC, will be an important opportunity for not only the whole House, but for the whole country to see how that is taken forward.

Keith Vaz (Leicester, East) (Lab): May I join the Foreign Secretary and others in congratulating the security services on their professionalism? May I also take him back to the police investigation? I wrote to the Attorney-General on behalf of the Select Committee on Home Affairs a year ago about this matter and she referred it to the police. Has this been ongoing for a whole year? If so, can we expect an update from the police as to when these investigations will conclude?

David Miliband: No—I am afraid that there is a very short answer to that. It is not for the police to provide a running commentary on their investigations; they have to continue them until they are concluded and then make a decision. I understand that when the case was before the Attorney-General, my right hon. Friend made representations for her to speed up her work. She concluded that work and it is now before the police, but I cannot give him any joy about any running commentary that the police might provide.

Mr. Douglas Hogg (Sleaford and North Hykeham) (Con): The Foreign Secretary's statement makes it plain that in 2002, while in US custody, Mr. Binyam Mohamed was subjected to systematic maltreatment, probably amounting to torture. Can the Foreign Secretary tell the House when the Government first learned of those facts? At what level in government were those facts known? What steps were taken to make urgent representations to the United States Government that this must stop? What steps were taken to prevent extraordinary rendition from being practised, to which we were a party? Was not the concealment of this document very damaging to Mr. Mohamed's claim for civil damages?

Mr. Speaker: I recognise the rhetorical technique that the right hon. and learned Gentleman was deploying but, unless my arithmetic failed me, I counted about six questions, to which one answer will suffice.

Mr. Hogg: I apologise.

Mr. Speaker: Not at all. I call the Foreign Secretary.

David Miliband: I think that the best way I can answer the legitimate questions that the right hon. and learned Gentleman has posed is to detail for him what has, in fact, been reported through the ISC about what the Government knew, when they knew it and what action they took. In answer to one of his questions I wish to say that it was the actions of the Government, as

[David Miliband]

recorded in the divisional court, that got the documents to Mr. Mohamed's legal counsel. That is why the constant confusion between the "suppression of evidence" as regards Mr. Mohamed and the publication of the evidence is so damaging. It was at the heart of the Government's case that we had a responsibility to ensure that Mr. Mohamed was able to defend himself. That is why we made representations to the US authorities, and the divisional court, in effect, congratulated the Government on achieving that. That is not the same as publishing the documents in the public domain, because one concerns justice for the individual whereas the other concerns the public interest in open debate. I shall provide the right hon. and learned Gentleman with a detailed explanation in respect of his other questions.

Ms Dari Taylor (Stockton, South) (Lab): In thanking my right hon. Friend for his statement to the House and for once again making it clear to everybody that torture or complicity in torture is totally unacceptable, may I add a thank you for his comments about the work of the Intelligence and Security Committee, on which I serve? I believe that it scrutinises the security agencies forcefully and purposely. However, will there now be—this is crucial for us all—a watching brief on how intelligence sharing between Britain and the UK will continue? I ask that because it is important for us to acknowledge that that relationship is crucial to Great Britain's future security.

David Miliband: My hon. Friend is right; there will be a taking stock, as I set out in my statement, and we will seek to ensure that the full intelligence sharing that is so vital to both our countries continues unabated. However, there is no point in denying that there will be a taking stock as a result of this judgment.

Mr. Andrew Tyrie (Chichester) (Con): The Foreign Secretary said that our most basic values as a nation are at stake here. I agree. It is only by getting to the truth about all this that we can bring closure to the whole sorry episode that is now called extraordinary rendition and in which the UK appears to have allowed itself to become complicit in kidnapping and torture. Indeed, a judge in another case said that we had facilitated a rendition, so the issue of facilitation, in principle, is no longer in doubt. Given all that, will the Foreign Secretary now finally discuss with the Prime Minister the need for a judge-led inquiry, which is supported by Lord Carlile, who is the Government's own anti-terrorism watchdog, and by the Leader of the Opposition and the Liberal Democrats, as well as many others?

David Miliband: I am interested to hear that the Leader of the Opposition is re-committing himself to a judicial inquiry—I shall pursue it with Opposition Front-Bench Members to see whether it is the case. The Government have discussed whether a judicial inquiry would be right, but have concluded that it would not be right, not least because the judicial system in this country is performing a very effective function in the courts, which is where it belongs. I also want to put it on the record that a dangerous confusion is emerging between rendition—sometimes called extraordinary rendition—and torture. They are not the same thing, although both are reprehensible and contrary to the laws and spirit of this country. However, it is important that we do not confuse the two. In Mr. Mohamed's case, there are allegations that he was subject to both, but they are not the same; they are separate. However, they are both wrong and they both need to be addressed fully. In respect of the hon. Gentleman's main point, however, I do not think that the conclusion to be drawn from today's events is that a judicial inquiry is necessary; I draw the conclusion that the judiciary is performing its function extremely vigilantly.[1]

Jeremy Corbyn (Islington, North) (Lab): May I take the Foreign Secretary back to the question of Mr. Binyam Mohamed and what happened to him in 2002 in Pakistan? When did the British Government know about it, what protests have been made and are they satisfied that there is not a continuation of this practice, either in Pakistan or in other places, from where the US takes prisoners to some other destination? Furthermore, does he not think that Guantanamo Bay should have been closed many years ago and that we should have done much more to close it?

Mr. Speaker: I think that the hon. Gentleman is seeking to imitate the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg). There was a quartet there, but again one answer from the Foreign Secretary will suffice.

David Miliband: Yes, the Government have stood out against Guantanamo Bay for a very long time, but it is also a fact that the current US Administration are committed to closing Guantanamo Bay and are seeking to do so as fast as possible, and quite rightly so. However, I can answer in the affirmative to both the questions asked by my hon. Friend. In respect of whether those practices are continuing, it is absolutely clear from the executive orders that President Obama has issued, among other things, that those practices have been completely banned by the US, which puts it into line with our position.

Mr. Henry Bellingham (North-West Norfolk) (Con): In his statement, the Secretary of State stated that Mr. Mohamed is an Ethiopian national formerly resident in the UK. What is his current immigration status, and why was he allowed back into the UK, especially when it was obvious that he was going to seek legal aid to mount a challenge in our courts?

David Miliband: The Government judge that our interests in securing the closure of Guantanamo Bay were so strong that it was right that British residents, as well as British citizens, be given the chance to come back to the UK. We did that in the case of nine British citizens and five British residents. One British resident, Mr. Shaker Aamer, continues to reside in Guantanamo Bay, and we continue to press the case for his release. We took the decision on the basis that the closure of Guantanamo Bay was right and that we had to play our part in it. However, it is also right that Mr. Mohamed, along with four others, was a UK resident at the time of his extraordinary rendition—not rendition from this country, but from within south Asia.

Paul Flynn (Newport, West) (Lab): This dreadful conduct is alien to our history and principles, and will certainly increase the risk of terrorism to this country. In the Secretary of State's stock-taking, will he consider

1. *[Official Report, 22 February 2010, Vol. 506, c. 2MC.]*

the possibility of returning to the fully independent, British foreign policy that served us so well in the Vietnam war?

David Miliband: I am happy to agree with my hon. Friend that British foreign policy is fully independent. However, it is not autarkic: although we pursue our foreign policy with our allies, we also have to pursue it with people who are not our allies in order to achieve our goals. We are absolutely committed to doing what is right for the United Kingdom, and that involves a very close relationship with the United States. However, that does not mean that we always agree with them, although I am pleased to say that we agree with the current Administration more than with some previous ones. That does not mean, however, that we agree on everything. That is the right way to proceed.

Martin Linton (Battersea) (Lab): Will this case speed up the release and return of Mr. Shaker Aamer, to whom the Foreign Secretary referred and whose family live in my constituency? Is there any intelligence material about the torture of Mr. Aamer in our possession, and could that be a reason behind the reluctance of the US Government to agree to his return to this country?

David Miliband: I do not believe that this case has any bearing on the Shaker Aamer case. We continue to press the case for his release, and we will continue to do so with all due effort. I know that my hon. Friend supports us strongly on that.

Armed Forces Compensation Scheme

1.16 pm

The Secretary of State for Defence (Mr. Bob Ainsworth): Today, I am publishing the review of the armed forces compensation scheme that I announced on 27 July last year. I would like to thank Lord Boyce for producing a rigorous report that has looked at every aspect of the compensation scheme, including the principles underlying it; the process by which a claim is made; and the amount of compensation provided. I will implement all of Lord Boyce's recommendations in their entirety. This will include: raising by about one third the annual payment made to the youngest and most seriously injured personnel throughout their lives to help them to deal with the ongoing effects of their injuries; retaining the top award level of more than £500,000 for the lump sum payments but increasing all other levels by up to two thirds; and increasing the maximum award for those suffering from mental illness as a result of their service.

We ask a lot of our armed forces. On a daily basis, I see evidence of their bravery, selfless commitment and determination. The job they do on our behalf is unique. There is no such thing as a risk-free military operation, and those serving on the front line in Afghanistan know this, accept it and are committed to getting the job done. They are protecting Britain's national security by denying safe haven to violent extremists, and the sacrifice has been significant. Earlier, the Prime Minister paid tribute to Private Sean McDonald, Corporal Johnathan Moore from 1st Battalion The Royal Regiment of Scotland and Warrant Officer Class 2 David Markland from 36 Engineer Regiment, Royal Engineers. They lost their lives in the past few days. These were professional, courageous, and committed men, and each death is a personal tragedy for the families, friends and comrades of those killed.

In Afghanistan today, British troops are fighting as part of an international security assistance force campaign to seize the initiative across southern Afghanistan. It will be hard, and we must brace ourselves for further casualties. There will always be a human cost when our forces are committed to action, and we have a moral obligation to honour their commitment and fulfil our responsibilities.

When servicemen and women are injured, we must ensure that they are provided with the right support—not just financial help, but medical care and through-life support. I am pleased that today's National Audit Office report recognises that the medical care provided to our armed forces on the battlefield, in theatre and back here at home is first class. The advances made in medical care mean that many people who would previously have died of their injuries now survive and are able to lead fulfilling lives. Today we are announcing an extra 30 beds at the defence medical rehabilitation centre at Headley Court, as well as updating and expanding the existing facilities. For some people, injuries will mean that their career path in the armed forces is inevitably different. General Richards, the Chief of the General Staff, has been looking at that closely, and will be announcing shortly how the Army will ensure that everything is done to support soldiers in such circumstances.

[Mr. Bob Ainsworth]

We have a further duty to those injured due to service. They must have a just and fair compensation scheme. We must remember that the current scheme is a huge improvement on the war pensions scheme that it replaced in 2005. Unlike under the old system, injured servicemen and women are able to claim compensation while they are still in service. It is important that the new scheme is regularly reviewed, and that we act to ensure that it continues to evolve to meet people's needs where it has been shown to fall short. For example, in 2008 we doubled the top levels of compensation payments, as part of the service personnel Command Paper.

Last summer I asked the former Chief of the Defence Staff, Admiral Lord Boyce, to lead the latest review. To support him, we put in place an independent scrutiny group of external experts, including those from the medical and legal fields, and representatives of the service charities. I would like to thank them for their work on the review. When put in place in 2005, the new compensation scheme was designed to ensure that those with the most serious injuries received the greatest support. I am pleased that Lord Boyce has concluded that that is the right approach, and that the scheme lives up to that promise.

As Lord Boyce has recommended, we will make the following notable changes. As I said earlier, we will increase most of the lump sum compensation payments. The top level will remain at £570,000, but every other level will go up. We will also increase tax-free annual payments to those who suffer the most serious injuries, to take account of future career prospects that they might otherwise have expected. For the youngest soldiers suffering life-changing injuries, those payments will be more than 35 per cent. higher. We will increase the top-level award for those who suffer mental illness because of their service, as well as increasing their annual guaranteed income payment.

We will ensure that the scheme treats those with multiple injuries more fairly. In future, all injuries from a single incident will be recognised as part of the compensation award. A new fast-track interim payment will be introduced, so that those injured can receive some money before the entire claims process is completed. We will extend the time that people have to make and to appeal claims. That will include taking further account of the late onset of a condition, which will particularly help with mental illness. We will create a new opportunity for exceptional reviews after 10 years if health conditions unexpectedly and significantly deteriorate. When making a claim, the burden of proof required will remain the same, but allowances will be made where records have not been properly maintained. We will also make a range of other improvements recommended by Lord Boyce, such as increasing payments to widows.

The injuries that those in our armed forces receive can be complex in the extreme. Ensuring that the compensation scheme is fair and just is not straightforward. One size does not fit all. Changes to the scheme must be guided by expert evidence. We will create an independent expert medical group to advise on the right level of compensation payments, as the knowledge and treatment of certain medical conditions improve. Together, all those measures will help us to give the scheme the flexibility that it has previously lacked.

As I said when I announced the review last year, in an exception to the normal rule, all those who have received compensation for their injuries under the armed forces compensation scheme since 2005 will benefit from the improvements that we are announcing today. Those in our armed forces must have the confidence that if they are injured, they will receive the help that they need. With the implementation of Lord Boyce's recommendations, we have a scheme that fully recognises the severity of their injuries and helps to provide for their future.

It is not in our power to undo the injury, but the changes that I am announcing today will ensure that we do what is right and proper for those who sacrifice so much to keep this country safe and protected.

Dr. Liam Fox (Woodspring) (Con): I thank the Secretary of State for his statement and for prior sight of it. I would also like to join him in paying tribute to those who have recently lost their lives in Afghanistan. The whole House is united in respect for their bravery and their commitment to our security here at home. Our thoughts and prayers are with their families and friends at this uniquely distressing time for them.

I would also like to add my thanks for the work done on this subject by Lord Boyce. It has been carried out with all the clarity and efficiency that we have come to expect from him, over many years of distinguished public service. There is much to be welcomed in the Government's statement today, but we will of course need to examine the detail of its implementation before we can make a full judgment.

As Lord Boyce reminds us, the review was carried out in response to the public fury at the Court of Appeal case involving Corporal Duncan and Marine McWilliams. The sight of the Government trying to reduce compensation scandalised the country. Lord Boyce said that the judgment should be taken further, to provide even greater clarity about some aspects of the scheme, so let me question the Secretary of State further on a number of issues.

Lord Boyce has said that there is considerable scope for improvement in the current, unsatisfactory way in which the scheme is communicated to all members of the armed forces, their families and interested stakeholders. We are talking about the Government's scheme, and therefore the Government's failings. How will that be put right, and who will oversee this, to ensure that the Government do not get it wrong again? In particular, what role will there be for independent scrutiny?

Next is mental health, which the Secretary of State mentioned. The low priority that we give to mental illness in this country is a sad indictment of our values. The way it was treated in the past in our armed forces was a sad dereliction of duty. Today marks a welcome step forward. How will the proposed expert group be set up? By whom and with whom will it be set up, and how will Parliament get a chance to be updated on its progress? Mental illness is an issue of the utmost importance to Members in all parts of the House, and I am sure that we would wish for some transparency on it.

We welcome the extension, from five to seven years, of the period in which a claim can be submitted, but how exactly does that fit in with the extended periods for presentation of mental illness? As the Secretary of State well knows, post-traumatic stress disorder can

take many years to present—up to 14 years, according to the latest figures from Combat Stress. How will the system be amended to ensure that those who present late with such problems do not find themselves excluded? Do we not need to find ways as a country proactively to seek out those who might be at risk, to prevent some of those problems from emerging, as our party has been proposing for some time?

On the subject of medical facilities, the Secretary of State said in his statement,

"we are announcing an extra 30 beds at...Headley Court".

The written ministerial statement says, "We are therefore now working on plans to provide up to 30 extra ward beds later this year". That is not quite the same thing. How soon can we expect the extra beds, and what factors might delay them? Is the Secretary of State concerned by today's NAO report, which suggests that our ability to deal with significant increases in casualties might be limited? Does he share the anxiety expressed by the NAO when it suggests that we are just coping medically—a position that is less than ideal at the start of a major offensive?

The Secretary of State has announced what amounts to a retrospective review of settlements made under the 2005 scheme. I assume that I am correct in that assessment. That is a big undertaking, and it would of course be unnecessary if the Government had got this right at that time. What is the timeline for this process? How will it be structured? How many cases will be involved in the retrospective review, and what estimates have been made of the cost?

Finally, may I raise a point about the reserves? We welcome Lord Boyce's suggestion that a factor should be introduced into the guaranteed income payment scheme to take account of the average range of promotions forgone while still in service because of injury. The whole House will agree with that, but how does it relate to reservists who might face long-term loss of civilian income because of the nature of their injuries? What is the equivalent compensation for them? That is especially important given our increased use of the reserves, not least in Afghanistan.

Our armed forces take unique risks and play a unique role in our national life. Is the Secretary of State confident that the money exists in the MOD budget fully to carry out the changes that will result from the review that he has set out today? Many people in our country will pay a high price for this Government's colossal economic mismanagement. Our injured armed forces should not be among them.

Mr. Ainsworth: I thank the hon. Gentleman for his comments about our armed forces and about Lord Boyce, who has done an excellent job; I am glad that that is recognised across the House. We took the case to court, as the hon. Gentleman knows, because we had to maintain the principles, the clarity and the fairness of the scheme. That was recognised by the judge. The issues that were raised at the time led us to bring forward the review, and the individuals concerned will benefit from the changes in the same way that any other individual will benefit.

On communication, yes, we do need to make every effort to ensure that those across the armed forces are informed of their rights and entitlements. We are putting in better systems to help those who are injured to get through what is a very complex process at a time when they are feeling particularly vulnerable. That is being overseen by the compensation advisory group that the Under-Secretary of State for Defence, my hon. Friend the Member for North Durham (Mr. Jones) runs. That group brings in people from outside the MOD; we get assistance from service charities and others, and we take their advice on an ongoing basis. We—and, indeed, the single services—also need to step up the support that we give to people, and to ensure that it is adequate and that they know the situation that they face.

The hon. Gentleman said that the symptoms of mental illness often come to light only after many years. The timelines for the scheme will allow someone to make an application or an appeal after their diagnosis has been made. It will therefore not matter how long it takes for an illness to come to light. People will have an extended timeline after the date of their diagnosis in which to come forward and make a claim or an appeal. There will be no restriction on people with conditions such as PTSD, which often come to light many years after an individual's service career has ended.

I hope that the House accepts that the NAO report said in no uncertain terms that the treatment available in theatre and back here at Selly Oak and Headley Court was first class. It does not criticise it in any way. Yes, of course it flags up the potential need for further capacity. We were already aware of that and planning for it—as illustrated by our announcement that we are seeking to provide another 30 beds at Headley Court—but we will have to do far more than that.

Approximately 6,000 people have made claims under the scheme since 2005. We have always said that that scheme would need to be reviewed. Anyone who examines the record can see that we have said that quite openly. We are dealing with a complex situation, and we made the commitment regularly to review the scheme. We brought forward this review, which is particularly thorough—I think we have Lord Boyce to thank for a lot of that—but we always said that we would backdate the benefits to the start of the scheme so that people did not have to worry that their claim might be overtaken by subsequent improvements that we introduced. The hon. Gentleman asked about reservists. They will benefit, as well as the regular forces, from the improvements that I have announced today.

Nick Harvey (North Devon) (LD): I echo the words of tribute to those who have fallen in the past few days in Afghanistan; I salute their courage and valour.

I thank the Secretary of State for his statement and, indeed, for the briefing earlier today. The Government were right to introduce the scheme in 2005, but today's statement shows that it has not worked as well as it might have done since then. I am pleased that the Government have changed course, because, as the hon. Member for Woodspring (Dr. Fox) said, the sight of court cases fought over levels of compensation was not edifying. Admiral Boyce has done a very good job. He and his team have made some positive recommendations, which I welcome, on the levels of compensation, the easier time scales, the slight readjustment of the burden of proof and, in particular, the greater recognition of mental illness than has been the case to date.

[Nick Harvey]

What is it all going to cost? I know that that is hard to estimate, but the Government seem a little coy about it. There is a strong moral argument, whatever it costs, that it is the right thing to do, but I would welcome an estimate—they must have one—of what they think it will cost.

Lord Boyce said that he was trying to establish a system involving a comparator between the awards and those in civil life. I know that it is hard to make such comparisons, because the scheme involves an ongoing payment, which would be most unusual in civil cases. The Secretary of State says that the scheme will be kept under constant review, which is welcome, but I urge him to guarantee that the comparator with civil compensation remains part of the ongoing review process.

The Secretary of State also said in his statement that the quality of medical intervention was so advanced that many more lives were now saved than in the past. That is undoubtedly correct. It means that, at the point of the initial intervention, more compensation is needed than has ever been needed before. I welcome the fact that the statement acknowledges that. As he keeps these matters under review, will he also recognise that we will be entering uncharted territory, and that we might need to come back after several years, or even decades, to see how those people with very serious problems have been doing over the longer term, and whether their level of support needs to be revisited on account of factors that we cannot anticipate or even imagine at this stage?

Mr. Ainsworth: I thank the hon. Gentleman for many of his comments. He mentioned the 2005 scheme. Let us remember that that represented a massive improvement on what went before. There was no lump sum payment and no ability to claim during service before the introduction of that scheme. I make no apology for wanting to make a significant difference with a lump sum payment for the most seriously injured. We did that in 2008, and Lord Boyce has now effectively readjusted the differentials to take into account the improvements that we made. That represents yet further improvement.

What will it cost? I did not say to Lord Boyce that we must keep within a particular envelope, as I do not believe that that is appropriate. I hope that hon. Members of all parties would agree with that. We have a commitment—a moral commitment—to these individuals that we must meet, and we have to meet the costs. Yes, they will have to come from the defence budget, but I do not think that it is unaffordable. We should not place it within any financial constraint: it has to come first and it has to be funded in full.

As to the need for ongoing reviews, I would make two points to the hon. Gentleman. First, by building in this expert medical panel, which will start considering issues such as hearing and other complicated difficulties that people have to confront, Lord Boyce has potentially brought some flexibility to the system. I cannot say to what degree that will need to be reviewed, because the expert panel will continually be able to bring back issues into the development of the compensation payable.

Secondly, the hon. Gentleman should remember that the guaranteed income payment is tax-free and inflation-proofed, so we will not have to review that. I am personally particularly pleased—this is one area that I wanted to see addressed—that we have effectively uplifted the guaranteed income payment to take into account the progression that a young soldier is likely to have made during his career. That is a big improvement, because it is not right to assume that a 20-year-old would have stayed at the same level of remuneration for the rest of his life. His ability to have climbed the ranks and to have made progress in life must be taken into account.

I believe that we have a pretty robust situation now, but of course we must keep it under review. My hon. Friend the veterans Minister will do so in consultation with the groups that have helped us. We have had the involvement and support of the Royal British Legion, the British Limbless Ex-Servicemen's Association, the Confederation of British Service and Ex-Service Organisations and the War Widows Association. The Families Federation was also represented on the group that supported us. We will continue to take those views into account.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): I particularly welcome the announcement of the extra 30 beds at Headley Court, given the increase in exceptional survival rates. The Secretary of State also mentioned the potential increase in casualties over the coming weeks. Will he have talks with the Secretary of State for Health to ensure that in areas such as the west midlands, where Selly Oak is doing an exceptionally good job, neighbouring hospitals that are perfectly capable of providing the necessary extra care do provide it?

Mr. Ainsworth: The reason why, over time, we will have to make increasing provision at Headley Court is not necessarily that the level of injuries will increase. It is because people are having to return for further or repeat treatment at the same time as the new injuries and new casualties are being dealt with. Therefore, there is a gradual increase in pressure on Headley Court, which we have to plan for and we are planning for; we will make certain that we deal with it. As to the current casualty level, we receive fantastic support from Selly Oak and from the Birmingham medical facilities overall. We plan surge capability so that we are able to put in additional medical services, which have been absolutely superb. We have talked to people in those services and made sure that eventualities can be catered for.

Mr. James Arbuthnot (North-East Hampshire) (Con): I welcome the statement. The Secretary of State and the veterans Minister deserve our thanks and our congratulations, as does Lord Boyce, not only on the changes made in the scheme but on the open way in which they have gone about that. The amendments to the scheme do not differentiate between injuries caused on active service in Helmand and those caused while training in the UK, for example. I entirely support that, but will the Secretary of State set out his thinking on why that should be the case?

Mr. Ainsworth: I thank the right hon. Gentleman for his comments. My hon. Friend the Under-Secretary and I take his comments seriously in his capacity as Chairman of the Defence Committee. We get constructive criticism from him, but also a lot of support. We both appreciate that. We have thought about and discussed with various individuals over time whether there should

be any differential between operational injuries and other injuries. It would be enormously difficult to do that, and I think that it would break the ethos of "One together" that applies to our armed forces. What would be "operational"? Pre-deployment training and all the other dangerous jobs that we expect people to do are not necessarily in the operational theatre in Afghanistan. We have always thought about it, but have set our face against differentiating injuries in service and other injuries. I have always been strong on that, and I think that it is the right decision.

Harry Cohen (Leyton and Wanstead) (Lab): I congratulate the Secretary of State on his excellent statement and on the work of his ministerial team. Will he consider backdating eligibility, perhaps to the beginning of the Iraq war or even to the beginning of the Afghanistan campaign in 2001? Will he also consider giving current and ex-servicemen suffering mental health difficulties a statutory right to an assessment of their needs?

Mr. Ainsworth: There is a statutory right to an assessment of needs. Lord Boyce looked at backdating. The answer is in some ways contained within my hon. Friend's question. Why do we not consider backdating to this date, that date or whichever date? The previous scheme goes back to 1917. Where do we draw the line? The complexity is enormous. Benefits have been paid under completely different arrangements over time, from which other issues potentially flow. I have concentrated on trying to ensure that this scheme is as good as it possibly can be by continually updating it and by continually being prepared to look at it. The flexibility that Lord Boyce has built into the scheme as well as the other improvements are of real benefit.

Mr. Gary Streeter (South-West Devon) (Con): I also warmly welcome the statement, which I know will be well received by many of my constituents who are serving armed forces personnel. May I encourage the Secretary of State to look at the Crown Proceedings Act 1947 in so far as it applies to this issue? As he well knows, serving personnel cannot sue the Crown for compensation for diseases they contract—asbestosis, for example, through working in a dockyard or naval base—whereas civilians who happen to be working alongside them can sue. Is that not a matter that the Government should now also consider?

Mr. Ainsworth: Yes, of course we must keep the rights of our armed forces under constant review. The sacrifice that they are prepared to make—the position that they are prepared to put themselves in—is unique and therefore justifies a no-fault and improved compensation scheme such as this one. I recognise that many of the hon. Gentleman's constituents have served the nation over a period of time, and that some have paid the ultimate sacrifice and some have been injured.

Bob Russell (Colchester) (LD): Will the Secretary of State confirm that the level of compensation from the Criminal Injuries Compensation Authority for an off-duty soldier who receives serious head injuries as a result of being assaulted in the UK will still be considerably more than the compensation available under the armed forces compensation scheme if that same young man suffers serious head injuries as a result of being shot in Afghanistan while on active service for his country?

Mr. Ainsworth: Lord Boyce tried as best he could to consider comparators in this country and abroad. That is enormously difficult, because the structure of other countries' armed forces and welfare states is very different from our own. Lord Boyce could not say, did not say and shied away again this morning from saying that this country has the best scheme; ours is among the most generous. This is not a contested court-case scheme; it is a no-fault compensation scheme for our armed forces.

Mr. James Gray (North Wiltshire) (Con): I join the Secretary of State in paying tribute to the three soldiers who have been killed in Afghanistan in recent days, and whose bodies will be carried down through RAF Lyneham and through the high street in Wootton Bassett on Friday. Does he agree that the fact that the number of fatalities—bad as it is—is not greater is due to the outstanding work of the air medical evacuation teams and the medical emergency response teams at Camp Bastion, which ensure that soldiers leave the front line, go through Bastion and return to Birmingham as quickly as possible? Those people do a fantastic job, and they are worthy of praise.

Mr. Ainsworth: The hon. Gentleman is absolutely right. Indeed, the care must begin long before Bastion. Getting people off the battlefield and back to Bastion as quickly as possible is life-saving, and the treatment and stabilisation provided at Bastion are magnificently impressive. Many skills are also immediately available throughout the Birmingham health authority—not just in Selly Oak—and at Headley Court. Anyone who has met an injured soldier will know of the huge desire of the injured to reach Headley Court. They know that once they are there, they are on the path to recovery, and that helps them to focus on the need to make progress.

Dr. William McCrea (South Antrim) (DUP): Many Members, including me, have visited our soldiers in Afghanistan, and I agree with the Secretary of State that our soldiers have displayed extreme bravery, commitment and determination and deserve our wholehearted support.

I welcome the Secretary of State's adoption of all Lord Boyce's recommendations, including those on many levels of compensation. I also welcome the announcement of an extra 30 beds at the rehabilitation centre, and the commitment to updating and expanding the existing facilities. When does the Secretary of State expect the beds to be provided and the facilities to be updated?

Mr. Ainsworth: We invested £24 million in the updating of Headley Court a while ago. We have also received fantastic support from Help for Heroes, which has provided a swimming pool. I cannot give the hon. Gentleman an exact date for the provision of the 30 beds, because there are processes to be gone through.

Headley Court does a marvellous job and has an amazing reputation among the armed forces, but we have to plan for the future as well. The site is very constricted, and long-term thinking is needed. We must ensure that we can cope during the many years that lie ahead, because our responsibilities will not go away when a particular operation goes away or the media focus goes away. We, as a nation, will have an ongoing responsibility to the people who have made sacrifices on our behalf.

GREAT BRITAIN HOUSE OF COMMONS
PARLIAMENTARY DEBATES (HANSARD)
2009/2010

Published on microfiche by ProQuest LLC
(formerly Chadwyck-Healey)
The Quorum, Barnwell Road
Cambridge CB5 8SW
England, UK

Distributed in the USA by ProQuest Information and Learning
789 E Eisenhower Parkway
P.O. Box 1346
Ann Arbor
MI 48106 1346, USA

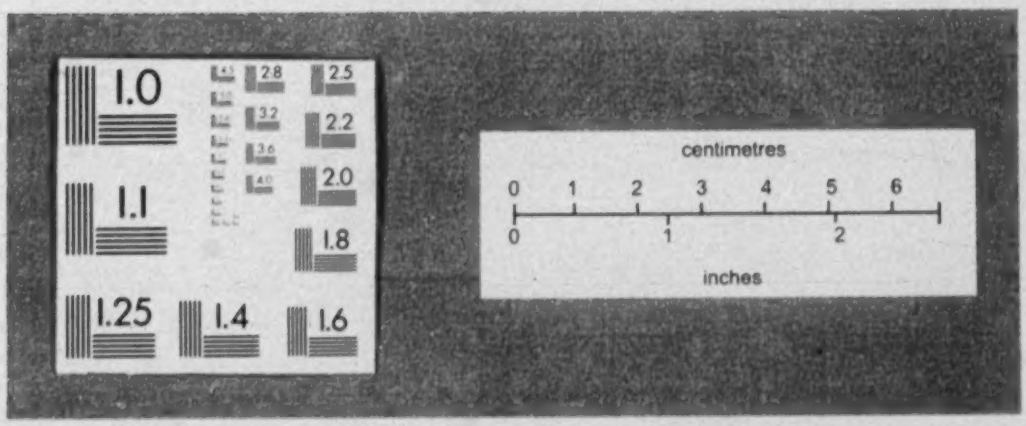
Date of publication: 2010/2011

Reproduction rights: © Parliamentary copyright 2009/2010. Reproduced by permission of the Controller of Her Majesty's Stationery Office.

Microfiche edition: © 2010/2011 ProQuest Information and Learning. All rights reserved.

Technical data: Film type: positive silver halide, archivally permanent microfiche conforming to AIIM and BSI standards.

Producing laboratory: Capita Total Document Solutions



Mr. Hugo Swire (East Devon) (Con): The Secretary of State is absolutely right about our duty of care to our wounded. As he said, the expansion of Headley Court is constrained. Has his Department had any discussions with private foundations or the private sector about a possible new location for a different sort of home?

Mr. Ainsworth: Yes, and I think that we made people aware, in principle, that such discussions were going on. The trustees of Headley Court are certainly aware of the long-term planning, because it is taking place in collaboration with them. As I have said, the last thing that we can afford to do is lose the fantastic reputation that Headley Court has gained for first-class rehabilitation. We must ensure that whatever facility we have in the future can cope with not only the quality of care, but the quantity of care that may be needed.

Angus Robertson (Moray) (SNP): I thank the Secretary of State for his excellent statement, and for this morning's briefing by the Under-Secretary of State for Defence, the hon. Member for North Durham (Mr. Jones) and Lord Boyce. It is very welcome that all political parties in the House are being briefed on an equal basis, and I look forward to the continuation of that practice. I also commend the work of Lord Boyce and his colleagues. The report is excellent, and I am extremely pleased that the Government have accepted all its recommendations.

However, will the Secretary of State look closely at the issue of the bereavement grant, details of which can be found on page 41 of the report? It is being treated differently from the other forms of compensation that are being uprated. Although the 25 per cent. increase in the grant is welcome, there is to be no increase for people in receipt of that grant between 2005 and now. The 25 per cent. increase is intended to reflect increases in salaries. Will the Secretary of State consider carefully whether it is possible to taper the increase for families who lost loved ones between 2005 and the present day?

Mr. Ainsworth: Lord Boyce's recommendation in that regard is different from the rest. As the hon. Gentleman has said, the increase in the grant is a recognition of the need to take account of pay increases since 2005. We should be looking forward rather than back. Of course we will note what the hon. Gentleman has said, but I am currently minded to accept Lord Boyce's recommendations as written in view of the logic behind them.

Bob Spink (Castle Point) (Ind): I warmly congratulate the Government on today's announcement. Will the Secretary of State join me in also congratulating the service charities, particularly SSAFA—the Soldiers, Sailors, Airmen and Families Association—and the Royal British Legion, on their work with veterans and injured servicemen? Will he have a word with his colleagues in other Departments to ensure that the funds of such charities are not diverted because local councils are refusing to provide appropriate and proper disability grants, so that veterans and injured servicemen returning from service can adapt their homes in order to lead lives that are as near to normal as possible?

Mr. Ainsworth: Under the service personnel Command Paper, which we produced in 2008, we have set up an ongoing review and an annual report. The service families federations and charities help us to determine the way in which other departments, local authorities and the rest of society serve veterans and our armed forces. That is an ongoing process. The last thing we can afford is for the Command Paper to give rights that just lie there gathering dust and never make progress. We must constantly examine new issues as they arise, and confront authorities when they do not treat our armed forces properly. The organisations that the hon. Gentleman has mentioned are a huge help in identifying those needs so that we can start to address them together.

Mr. Brian Jenkins (Tamworth) (Lab): I congratulate my right hon. Friend, the Under-Secretary of State for Defence, my hon. Friend the Member for North Durham (Mr. Jones)—the veterans Minister—and Lord Boyce on the work that they have done. I think that we should all congratulate them and support their work wholeheartedly.

May I raise the issue of late-onset conditions and, in particular, cases of mental illness? I know about the compensation advisory group, but how many people out there in the wider communities—GPs, and those who supply mental health services—are aware of the path to that group, and is it able to present cases, especially those of mental health patients, to the compensation board? Who is there to represent those people and ensure that they are given a fair deal?

Mr. Ainsworth: The compensation advisory group consists of a panel of people who have worked and will continue to work with the veterans Minister in identifying issues and ensuring that they are brought up to date, and they do that very well. It is not their responsibility to ensure that rights are communicated properly to all our service personnel. It is the responsibility of the Government, the chain of command and the single services to provide the appropriate information. According to one of Lord Boyce's recommendations, we simply have not been good enough at that. We must and will ensure that that information is communicated all the way down to people in a timely manner, and I know that my hon. Friend the veterans Minister will drive it through as best he can.

Points of Order

1.59 pm

Mrs. Caroline Spelman (Meriden) (Con): On a point of order, Mr. Deputy Speaker. The Government have just released a written ministerial statement on the vexed subject of local government restructuring, which is going to force expensive and undemocratic restructuring on local government in Devon and Norfolk, and cast uncertainty over the future of the status of Suffolk. It represents a Government U-turn, reversing the position of the previous Secretary of State, and it ignores the advice of the Boundary Commission and introduces a wholly new concept of county constitutional conventions. Given the significant legal and financial implications of this statement, should it not have been an oral statement, so that Members on both sides of the House whose constituents are directly affected could properly debate the issue? The timing also raises serious questions about the probity of civil service activity so close to a general election. Do you not agree, Mr. Deputy Speaker, that this statement should have been the subject of a debate, and that to issue a statement of such significance in written form just hours before the House rises does this House a grave disservice?

Mr. Hugo Swire (East Devon) (Con): Further to that point of order, Mr. Deputy Speaker. This is the most naked form of opportunism I have ever witnessed in this place. The fact is that the Government have now ignored the criteria by which they originally judged the issue. They have overturned a decision taken in principle—

Mr. Deputy Speaker (Sir Alan Haselhurst): Order. That is not a point of order. I think I have grasped the heart of the point of order of the hon. Member for Meriden (Mrs. Spelman), and I do not think we should go down the debating route. The hon. Lady will understand that she cannot draw me into giving an opinion as to how a particular matter should be presented to the House. She will know that it is open to Ministers to decide how they will inform the House of a particular matter. I do not believe that it is an immutable, or necessarily a common, practice that local government boundary changes will always be announced by an oral statement, and there will be further opportunities for the House to debate the matter the hon. Lady raises. On the timing, again it is not for me to comment, except, perhaps, to say that we are all concerned when something comes out on the eve of a recess, which means there is a delay before it can be further considered, but, again, the timing is not a matter for the Chair. The hon. Lady has made her protest about this, and I am sure there will be other ways in which she can pursue the substance of the matter once the House resumes.

Mr. Gary Streeter (South-West Devon) (Con): On a point of order, Mr. Deputy Speaker. Have you had any indication that the Secretary of State for Culture, Media and Sport wishes to come to the Chamber to make a statement from the Dispatch Box crowing about the decision to make Exeter a unitary authority, because that is all about trying to save one Labour seat, rather than doing the right thing for the people of Devon?

Mr. Deputy Speaker: I am disappointed that the hon. Gentleman chose to try to take that comment down the route of a point of order, because I thought I had already explained to his colleague that we cannot have a debate on this matter. The Chair realises that this is of serious concern to Members representing the affected areas, but I am afraid that we cannot debate it now, whatever the feelings of hon. Members on the subject. That feeling has been registered, however.

BILL PRESENTED

Department for Work and Pensions (Electronic File Retention) Bill

Presentation and First Reading (Standing Order No. 57)

Harry Cohen presented a Bill to exempt the Department for Work and Pensions from statutory requirements to retain files in written form where it holds electronic files of the information in an approved form; and for connected purposes.

Bill read the First time; to be read a Second time on Friday 5 March, and to be printed (Bill 66).

Water Tariffs Bill

Motion for leave to bring in a Bill (Standing Order No. 23)

2.3 pm

Nick Harvey (North Devon) (LD): I beg to move,

That leave be given to bring in a Bill to require the Secretary of State to review and report to Parliament on the current level of water poverty by local government area; to require water and sewerage companies to offer a social tariff to all customers within the water poverty threshold; to require the Office of Water Services to set common tariff levels for all water and sewerage companies; to require water and sewerage companies to contribute to an Infrastructure Investment Fund; and for connected purposes.

I make no apology for returning yet again to the long-standing subject of water prices, which have risen by 42 per cent. in real terms since 1989. An enormous amount of time has passed, and water tariff payers, particularly in the south-west of England, have waited a long time for the matter to be addressed. I and colleagues from the south-west have raised this matter in the House on many occasions, and time is running out for the Government to address this crippling injustice before the election, which will be held soon.

The population of the south-west will be all too familiar with the following figures, but let me remind the House of them once again. South West Water customers pay the highest water bills in the country: they are almost 50 per cent. higher than the national average bills. Part of the reason for that is the manner in which the industry was privatised in 1989. At the time, the water infrastructure in the south-west was in a dire state, but the Government did not provide any mechanism by which SWW would be assisted in meeting the costs of bringing it into a better condition. Instead, they allowed the company to pass on to customers all the costs of updating the infrastructure. As a result, the huge burden of cleaning up the coastline has, very unfairly, fallen on water customers in our region, with 3 per cent. of the population paying for the clean sweep of more than 30 per cent. of the UK's coastline.

The south-west population is probably the least able of any region to shoulder this burden. Residents of Devon and Cornwall have the lowest incomes in England, and they are considerably lower than the UK average. Furthermore, more than 22 per cent. of the south-west's population are pensioners living on fixed incomes, which is a higher proportion than anywhere else in England. All too often in the spring, any increase in state pension is immediately counteracted by increases in water bills or council tax. The need for reform is clear, therefore.

SWW operates the WaterSure social tariff scheme, for which it received 6,782 applications in 2008-09, despite the fact that the eligibility requirements are quite stringent. One of the requirements is that the customer must have a meter, which can be difficult in practice, particularly in blocks of flats, where the logistics are challenging. Nevertheless, SWW has received twice as many applications for such a tariff as any other water company.

As I have said, this problem dates back 20 years to privatisation, and I am very pleased that the Government commissioned a report on water charges, conducted and published by Anna Walker. That is clearly a step in the right direction. The report came up with some sensible solutions: greater use of social tariffs; the possibility of a contribution to SWW from the Treasury to recognise the extra costs it has faced; or a levy on other regional water companies to help meet SWW's extra costs—which is the idea my Bill pursues. Some of the report's other proposals are more controversial, such as moving to universal water metering, or putting a levy on holidaymakers' hotel bills. The Government have had sufficient time to consider the report, and the time has now come for some decisions and actions.

My Bill places on Ofwat a duty to set exactly the same water tariffs across the entire country. Bills must be equalised at the current average across the country as a whole, rather than SWW's level of bills being inflicted on everybody else. That would be the fairest system, and we should be steering towards it. My Bill also calls on the Government to recognise a new measure of water poverty, along the lines of the well-established fuel poverty principle, and it imposes on all water companies a duty to provide a social tariff to everybody who falls under this threshold—and not to have as many exemptions in place as, for example, the SWW scheme that I have just mentioned.

The Chartered Institute of Environmental Health has defined water poverty as being when a household's water bill equates to more than 3 per cent. of its income after tax. There are winter fuel payments, but there is no similar assistance in respect of water poverty. More widely available social tariffs must be provided, and water poverty must become as widely accepted a concept as fuel poverty. We need to overcome the current obstacles to achieving those goals.

If the same tariff were to be set in every part of the country, the impact on different companies would vary sharply. If those companies were ordered off their current tariff level and on to a common tariff level, that would have widely differing impacts on their ability to fulfil their various regulatory requirements. Some would find that they had a cash bonanza and others would find that they had a shortfall in trying to meet their obligations. The purpose of an investment fund is to provide a mechanism through which the abilities to meet their obligations could also be equalised in way that would mirror the equalisation of the water tariff. Ofwat would determine what each water company should pay into the investment fund and allocate the resources from the fund to enable each of the different companies to fulfil the obligations that fall on them.

One has to recognise that there have been significant developments in the south-west in the years since privatisation. The "Clean Sweep" programme for the coastline has been a great success but the infrastructure that has been put in place needs ongoing capital maintenance. Of course, more requirements are being put on all the water companies about the quality of their drinking water, action to tackle leaks and all their other duties. There is no perfect mechanism, but if we established a central fund into which the companies made a contribution, depending on the level of profitability that the new equalised tariff gave them, those who were going to suffer a shortfall could draw the money out of it. Of course, if the Government were to consider further Anna Walker's recommendation that Treasury funds should be part of the equation, the central fund would also be a mechanism through which that could be done. However, it is beyond the scope of a private Member's Bill to propose that such a thing should be forthcoming from the Treasury.

This has been a long-running sore and it is not going to go away. When we take those with the lowest incomes in the country—those with very low disposable incomes—and place on them bills that cripple their household budgets, and when they realise that the cost of a bath in the south-west is vastly greater than that in other parts of the country, it prompts a simple question of fairness that has yet to be properly addressed.

The south-west has great assets that people from the whole country enjoy when they come on holiday. Among those assets are the clean beaches. It seems to me that everybody throughout the country needs to make a contribution to that. When we come to London, for example, and enjoy the benefits available for visitors, the central taxpayer has made a considerable contribution to those great attractions. It is simply a question of fairness. Twenty years after privatisation, there has been no progress at all. For the first time, Anna Walker's report makes it clear in an independent study commissioned by Government that there is a real issue to address. It is not a question of the south-west whinging; it can be seen objectively that an injustice exists and a variety of measures have been proposed to put that right.

This has gone on too long. The time for action has come and my Bill would be a means by which that action could be taken.

Question put and agreed to.

Ordered,

That Nick Harvey, Dan Rogerson, Mr. Colin Breed, Richard Younger-Ross, Mr. Adrian Sanders, Andrew George, Julia Goldsworthy, Linda Gilroy and Alison Seabeck present the Bill.

Nick Harvey accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 26 March, and to be printed (Bill 67).

Section 5 of the European Communities (Amendment) Act 1993

Mr. Deputy Speaker (Sir Alan Haselhurst): I must announce to the House that Mr. Speaker has selected the amendment that appears on the Order Paper.

2.14 pm

The Economic Secretary to the Treasury (Ian Pearson): I beg to move,

That this House takes note with approval of the Government's assessment as set out in the Pre-Budget Report 2009 for the purposes of section 5 of the European Communities (Amendment) Act 1993.

I welcome the opportunity to debate the information provided to the European Commission under section 5 of the European Communities (Amendment) Act 1993. Each year, the Government report to the Commission on the UK's economic and budgetary position and our main economic policy measures, in line with our commitments under the stability and growth pact, by formally sharing information from the pre-Budget report.

A year ago, as the world economy faced crisis, the European Council agreed a European economic recovery plan, which rightly called for a fiscal stimulus from member states equivalent to about 1.5 per cent. of gross domestic product. The Council encouraged member states to allow borrowing to rise to support the economy, acknowledging that this would lead to a deepening of deficits in the short-term and that the stability and growth pact should be applied in a manner that reflects the current exceptional circumstances.

We welcome the publication of the European economic recovery plan, which showed that the Government were right to take bold action in the 2008 PBR to support the economy through a fiscal stimulus and to provide further support for actions to front-load public expenditure and assist small and medium-sized businesses.

Last year, the global economy is forecast to have had the longest period of sustained negative growth in 60 years. It was against that backdrop that the pre-Budget report was delivered last year. That PBR is reported on in this document to the Commission.

Mr. William Cash (Stone) (Con): Does the Minister accept that, having regard to the crisis in Greece and in the eurozone as a whole, as has been widely reported, the reality is that the stability and growth pact is simply not working and that the words contained in the pre-Budget report indicate that all the Government are doing is shunting on the whole issue on the basis of wishful thinking?

Ian Pearson: I do not agree with the hon. Gentleman. We have gone through exceptional times in the global economy and that has affected all European economies. As he will be aware, according to the figures, 20 countries are in what would be called the excessive deficit procedure—that is, they have a deficit of above 3 per cent. of GDP. There are good reasons for that. The matter has been debated extensively at the European Council and there is a commitment across Europe to co-ordinate economic policies and to ensure sustainable public finances in all member states over the medium term. Everybody in Europe has recognised, however, that we have had to do some pretty exceptional things and that has affected all our economies.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Notwithstanding what the Minister has just said, will he confirm that Britain has a higher budget deficit than that of Greece?

Ian Pearson: The hon. Gentleman will know the figures well. It is true that the budget deficit in the UK has increased—it has increased in pretty much every member state. Later in my speech, I shall talk more about it.

It is widely recognised by most commentators that Government action has helped to limit the impact of the recession. Indeed, the initial figures released last month show that the economy posted growth of 0.1 per cent. in the final quarter of 2009, reflecting my right hon. Friend the Chancellor's forecast in the PBR that growth would return at the end of the year. As hon. Members will be aware from the pre-Budget report, growth is expected to pick up progressively to 1.25 per cent. in 2010 and 3.5 per cent. in 2011-12. I believe that that will be supported by net exports and investment, with the adjustment of the UK's flexible labour markets helping to bring spare capacity back into use.

It is also clear that the Government have been right to be cautious about the prospects for the economy, and it is right that we should continue to support it. The shocks that this economy and economies around the world faced were entirely unprecedented. Withdrawing support that has helped us to get to this point would be exactly the wrong policy. I believe that we now face two challenges: securing the recovery and promoting long-term growth. They will both be essential in ensuring sound public finances, which will be necessary for the investment that we need in the future.

My right hon. Friend the Chancellor announced in the PBR a plan for reducing the deficit by half within four years. As world economic prospects are still fragile, however, the PBR also announced the maintenance of support until recovery is secured. We have had this debate many times in the Chamber, and it is a matter of judgment when action should be taken to cut the deficit. We have always maintained that failing to offer support to the economy would risk the recovery and would damage the economy in the long term. That is why we have offered support to business to ease problems with cash flow and with access to bank lending, and that is why we have deferred tax rises and extended tax allowances. That includes the time to pay scheme, which has helped businesses to spread £4.8 billion-worth of tax payments over a timetable that they can afford. That is why we have frozen small companies' tax rates next year to help 850,000 businesses.

We announced in the PBR that support for mortgage interest would provide cover for mortgage interest payments for those who have lost their jobs. That has been extended for a further six months. To date, the scheme has helped more than 220,000 people. It is important that families receive the help that they need through the tax and benefit system, and through the downturn, tax credits have provided extra help to 400,000 families whose income has fallen.

The retail prices index was negative in September. That could have meant a reduction, or no increase, in benefits, because many benefits and tax credits are linked to September's RPI. We responded as a Government, however, and my right hon. Friend the Chancellor announced that the basic state pension will rise by 2.5 per cent. in April. Other benefits, such as child benefit and some disability benefits, will rise by 1.5 per cent., giving real-terms increases to those who need them most.

Mr. David Gauke (South-West Hertfordshire) (Con): Will the Minister confirm to the House that the real-terms increases in pensions will be clawed back from the following year's pension settlement?

Ian Pearson: I do not think that the situation is as the hon. Gentleman characterises it. As he will be aware, we make decisions at fiscal events. We have a Budget coming up in about six weeks' time, when we will make the Government's position clear.

Mr. Gauke: Will the Minister give way on that point?

Ian Pearson: Let me make some progress.

To ensure that we will not have a repeat of the financial crisis, the Government have, as the House is well aware, introduced wide-ranging reforms to the financial sector. As well as strengthening financial regulation, we will do all we can to ensure that banks pay due regard to risk and that remuneration policies are focused on the long-term health of the relevant institution. Again, we have already debated a number of these issues.

We have put in place support to secure the recovery, but we have also taken action to meet the other challenge—the direction and long-term growth of the economy. The recession has had a marked impact on the labour market, but unemployment has risen by far less than was expected by independent forecasters. Indeed, the latest Office for National Statistics figures show that International Labour Organisation unemployment figures have fallen for the first time since 2008. In addition, the claimant count has fallen for the second consecutive month and by more than market expectations. None the less, certain groups, such as young people, have been particularly hard hit. That is why we announced in the PBR that every 18 to 24-year-old will be given work or training when they have been out of the labour market for six, rather than 12, months. I believe that investing in the skills of young people will not only prevent a lost generation of youth unemployment, which we have seen in previous recessions, but will promote our long-term growth as an economy.

Mr. Jeremy Browne (Taunton) (LD): I accept, as many reasonable-minded people would, that Government intervention can play a part in preventing unemployment from becoming worse than it otherwise would be. Does the Minister accept, however, that changing labour markets—the very flexible labour markets that he has just mentioned—also have a part to play? It might well be that 20 years ago, a fifth of a company's work force would have been sacked or would have resigned in such a situation, whereas now all of that work force might go from working a five-day week to working a four-day week. Under such an arrangement, nobody would lose their job, but the number of hours worked by that company would fall by 20 per cent.

Ian Pearson: The hon. Gentleman is right to point to some of the benefits of having flexibility in the labour market. Indeed, there is already some evidence that what we have seen during this recession is not only far

greater flexibility on the part of employers, but far greater flexibility on the part of employees than has been the case in previous recessions. Some companies have decided that they want to keep people on but that they will have to pay them less, and their work forces have agreed to that, and some companies have decided that some of their staff need to go on to short-time working. That flexible response has been to the benefit of many companies and the people who work in them.

Mr. Gauke *indicated assent.*

Ian Pearson: I see that the hon. Gentleman agrees. That flexibility is one of the great strengths of our actions. In the past 12 years, Labour Governments have also introduced changes to help people back into work, and those measures are another great strength at the current time. As a result of active Government support via labour market support to the unemployed, month after month, hundreds of thousands of people have found new job opportunities.

The Government have also announced investment in key industries of the future, such as digital, bio and low-carbon technologies, in order to build a strong and more diverse economy and to help to drive long-term sustainable growth. In the PBR, we announced measures to support innovation and enterprise, such as introducing a patent box—a reduced rate of corporation tax on income that will be derived from patents from April 2013—to strengthen the incentives to invest in innovative industries and to ensure that the UK remains an attractive location for such innovation. Further, an additional £200 million-worth of funding for the strategic investment fund will support advanced, innovative industrial projects of strategic importance.

It is vital to our future growth that investment is made in our infrastructure. We announced in the PBR further plans for rail electrification between Liverpool, Manchester and Preston, and we want to continue to ensure that our work force are equipped with the right skills for the future by giving financial support to up to 10,000 undergraduates from low-income backgrounds to take up short internships in industry, business and the professions.

Mr. Vara: Given the Minister's optimistic tone, is he confident that the anaemic growth that we had in the last quarter will be bettered in this quarter?

Ian Pearson: I am not going to speculate on that. The Treasury's policy has always been to make financial projections at our major fiscal events—the Budget and the pre-Budget report—and we will do so shortly when the Chancellor announces the Budget. When the hon. Gentleman looks at the comments of independent commentators who provide forecasts, he will see that there has been a gradual increase in optimism about how the UK economy is likely to perform in 2010. That is welcome. As the Chancellor has said on many occasions, we are not out of the woods yet. That is why we have taken a deliberate policy decision to continue to support companies through what remain difficult economic times—by extending the enterprise finance guarantee, for example, as well as the time to pay arrangements that I have mentioned. It is clear that we must not only provide support for companies in the downturn, but that we must take measures to rebuild our fiscal strength when recovery is firmly established. I shall go on to say something about that.

Sound public finances are vital to our investment in the future and to ensuring that there are no further ramifications due to a crisis down the line. It is imperative that we consolidate in a way that supports growth, because, in turn, growth will make it easier to lower the deficit and to pay down debt. The Fiscal Responsibility Bill that we have already discussed in the House will enshrine in legislation the Government's plans to halve public sector borrowing as a share of gross domestic product by 2013-14. Other countries have taken similar approaches in terms of legislating, and some others are considering doing so. Indeed, the IMF regards giving fiscal consolidation a legislative backing to be one option that is worth pursuing.

To maintain our fiscal sustainability, the PBR has already announced tax rises for those with the greatest ability to pay, while ensuring that those on the lowest incomes are protected. The restriction of pensions tax relief announced in the Budget will apply only to those with gross incomes of £150,000 and over, where gross income includes all pension contributions. There will be an additional 0.5 per cent. increase in employee, employer and self-employed national insurance contributions for those earning over £20,000, but we also recognise that slower spending growth will be essential if we are to reduce borrowing.

We will work to eliminate waste, and we will cut some budgets and stop some programmes altogether. It is important to recognise that the PBR has already announced that £12 billion will be saved from greater efficiency, £5 billion from scaling back or cutting lower priorities, and £4.5 billion from reducing the cost of public sector pay and pensions.

We must ensure investment in our future, but at the same time we must protect our most important front-line services, the ones that people rely on—such as our schools, health care and the police. In the past, cutting public spending has led to long-term damage, and we do not want that to be repeated. That is clearly taken into account in the PBR, and the decisions that we have taken.

Mr. David Drew (Stroud) (Lab/Co-op): One of the putative benefits of the EU, if there are any, is that it could take joint action against tax havens. What action are the British Government proposing to take with their EU partners to make sure that everyone is paying the right level of tax?

Ian Pearson: The EU has many benefits. I shall not list them, but having a home market of 500 million people is a significant one. Also, the level of the pound against the euro means that UK businesses have strong opportunities to export into the home market of other member states.

My hon. Friend the Member for Stroud (Mr. Drew) asked specifically about tax havens, and he will be aware that a lot of work has been going on, in the EU and at G20 level, to ensure greater tax transparency. A number of initiatives have been launched in this area: he is right to highlight the issue, as it has been and will remain on the global, and not just the European, agenda.

In the EU, we are taking the appropriate co-ordinated action to reduce deficits, in line with the recovery of the European economy. Twenty member states are reducing their deficits broadly in line with recommendations

[Ian Pearson]

from the Council under the excessive deficit procedure. The recommendations adopted by the ECOFIN Council in December 2009 provide a co-ordinated path towards sustainable public finances. They utilise the flexibility provided for under the stability and growth pact, while rightly taking national circumstances into account.

These have been testing times, and people all around the world have been affected. All economies have been hit, to a greater or lesser extent, and the actions taken by this Government have helped our economy to start to emerge from the crisis.

Now is not the time to engage in rash cuts, as the Opposition propose. A judgment has to be made as to when to make the fiscal consolidation that will be needed to ensure that we have sustainable public finances. There will be more to be done, not just now but over the next few years.

As I have said on previous occasions, that will involve some pretty painful decisions on public spending, but it is right that the Government face those decisions. The PBR sets out actions to secure the recovery and build our future, and also to ensure that we have the means to do so by delivering controlled public finances.

That is the programme set out in the 2009 PBR. With the approval of the House, it is the basis on which we will send updated information to the European Commission. I look forward to the contributions that hon. Members will make to this debate, and I commend the motion to the House.

2.34 pm

Mr. David Gauke (South-West Hertfordshire) (Con): I beg to move amendment (a), at end add:

'but regrets that the assessment does not demonstrate that the Government has a credible plan to deal with the United Kingdom's deficit.'.

As the Minister said, the report that we are debating is published in accordance with our obligations under the European Communities (Amendment) Act 1993 to inform the European Commission of our economic and budgetary position. I want to begin by making a point that appears to be traditional at the commencement of these debates—that the Government have been reluctant to publish the report and make it available to hon. Members.

The report should have been published before the end of December, but in fact was published only on 28 January. However, it is written as though it had been published last year, referring as it does to the VAT reduction that "will" expire on 31 December 2009. I hope that the Minister will explain why there was a delay, and why that detail was not picked up.

It was also very difficult to locate the report. I obtained a copy last week, but it was not available in the Vote Office yesterday. This is a point that has been made many times before: my hon. Friend the Member for Hammersmith and Fulham (Mr. Hands) made it in the equivalent debate last year, and I did so the year before. It may not be entirely surprising that the Government do not want to make the report widely available, given the state of the public finances, but it is a pity and I hope that the problem will be rectified in future.

Before I turn to the contents of the Treasury's report and the state of the UK's finances, I want to touch briefly on the issue of Greece, which was raised by my hon. Friend the Member for Stone (Mr. Cash) earlier this afternoon. It was also raised by my hon. Friend the Member for Harwich (Mr. Carswell) and the hon. Member for Birmingham, Edgbaston (Ms Stuart) in the course of Prime Minister's questions.

This report is part of the multilateral surveillance procedure under articles 121 and 126 of the European Union treaty. One suspects that multilateral surveillance is somewhat to the fore in the Treasury's mind at the moment.

The Government will be aware of the widespread speculation about the fiscal situation of some members of the eurozone, and of Greece in particular. Will the Minister tell the House what the Government's opinion is about providing external assistance for Greece, if that becomes necessary? Does he consider that to be a matter for eurozone countries alone, or is it an international matter for members of the IMF and the G20? Does he think that there is any role for the EU as a whole, including non-eurozone members? If UK taxpayers are to be involved in any way in bailing out another country, will he give an undertaking that this House will be kept informed?

Mr. Cash: I am sure that my hon. Friend is aware that a brand new Commission for the whole of the EU has been established today. Does he have any information about whether the requirements under the section of the Act that we are debating have been referred to the previous Commission, or the present one?

Mr. Gauke: My hon. Friend makes an interesting point. I am not in a position to answer him, but perhaps the Minister will have an opportunity to do so later.

I turn now to the British situation, as set out in the report. We are in a very difficult position as a country. In its recent "Green Budget" document, the Institute for Fiscal Studies said:

"The recent performance of the UK economy has been rather alarming."

The UK has suffered the largest fall in activity, relative to its pre-crisis trend, of any G7 economy. It is the slowest of the G20 economies to emerge from recession, and it is borrowing more than at any time in our peacetime history. We are borrowing more than any major economy. Our credit rating is under threat. In those circumstances, the credibility of the plans to get us out of this mess is crucial.

It is worth examining the comments made by those who have held positions of responsibility during the Government's term of office and their views on the credibility of the Government's position. Howard Davies, the former head of the Financial Services Authority, stated:

"The major risk is the loss of confidence in the government's ability to get the public finances back under control."

Sir John Gieve, appointed as deputy governor of the Bank of England, stated that the Government's plan

"will be hard to sustain politically and eliminating the structural deficit more quickly in 2011 and 2012 looks a better course."

Richard Lambert, a former member of the Monetary Policy Committee, now director general of the CBI, stated:

"History tells us that these are really difficult nettles to grasp but if you grasp them in a clear and bold way, then the pain lasts for a shorter period than if you just limply grab hold of them... Our strong instincts are that the risks of going too soon are less than the risks of waiting too long... Two full parliaments of chancellors being responsible just seems too much to expect."

On the fiscal plan set out in the pre-Budget report, Mervyn King, the Governor of the Bank of England, told the Treasury Committee that

"the longer there is not a credible plan that sets out what actions will be taken the more"

a downgrade to the credit rating

"is a risk. I do not believe there is any impediment to the UK putting in place a credible plan which will convince financial markets."

I think it would be fair to interpret those remarks as suggesting that no credible plan was in place. To confirm that impression, on 19 January the Governor of the Bank of England stated in a speech in Exeter that the spring Budget provides an opportunity to

"demonstrate a strong commitment to fiscal sustainability in the longer term",

again suggesting that that commitment had not previously been demonstrated.

Sir Steve Robson, former second permanent secretary to the Treasury under the present Prime Minister when he was Chancellor of the Exchequer, said of the pre-Budget report:

"I saw three tests. First, did it enhance immediate prospects for economic recovery—which is mainly about the availability of credit to business. Second, did it set out a credible path to fiscal and monetary balance. Third, did it enhance the economy's long term growth prospects. It did a little on the first and was a bad miss on the second and third."

Sir Steve Robson went on to state:

"If the Government lacks credibility on fiscal matters, there can be severe consequences—as Greece has just found out."

We have heard warnings about the credit rating agencies from the likes of the Governor of the Bank of England and former senior civil servants. Today Brian Coulton, head of sovereign rating at Fitch, stated:

"The UK, among the triple As is one of the most vulnerable, with Spain and France."

Fitch has previously warned of the need for an aggressive programme of fiscal tightening after the election.

Standard & Poor's has already downgraded the outlook for Britain's credit rating from "stable" to "negative". I could list a number of economists, all of whom express their concern about the credibility of the UK's fiscal position. Bill Gross, managing director of the leading bond investor Pimco rather alarmingly stated:

"The UK is a must to avoid. Its gilts are resting on a bed of nitroglycerine. High debt with the potential to devalue its currency present high risks to bond investors."

If our credibility is at risk, as it clearly is, we will have to pay more for our debt, and interest rates will rise unless something is done to address the issue.

My hon. Friend the Member for Tatton (Mr. Osborne), the shadow Chancellor, has stated that the first benchmark on which we, the Conservatives, would ask to be judged if we are in power in the next Parliament, is maintaining our triple A credit rating. Is the Minister prepared to be judged on that criterion as well? Perhaps he will tell us in his remarks later.

With all the resources at their disposal, the Government have obfuscated on setting out any spending details. There is no comprehensive spending review. It has been kicked into the long grass. The Institute for Fiscal Studies estimates cuts of up to 24 per cent. in some Departments, but the Government refuse to give us any numbers. The Minister is partially exempt from some of these criticisms. He said today that some of the cuts will be pretty painful. He has previously said that they would be extremely painful.

The Government have done everything they could to prevent the numbers being available. In the report that some of us have before us, we see a further example of that. Last year, in the equivalent report, Government interest paid as a percentage of GDP was set out for all the years up to 2013-14. This year—I thank my noble Friend Baroness Noakes for highlighting this—one would expect interest percentage to be provided for an additional year. Instead we have the figures only up till 2010-11. When the point was raised in the equivalent debate in the other place last week, Lord Myners responded that

"the Treasury does not publish an AME"—

that is, annual managed expenditure—

"forecast beyond the current spending review period, given the uncertainty and volatility inherent in forecasting this far ahead."—[*Official Report, House of Lords*, 4 February 2010; Vol. 717, c. 406.]

Why there is more volatility and uncertainty this year than last year is not entirely clear.

The Treasury Committee, a Labour-dominated Committee, said:

"There is a sense that the Treasury are using uncertainty to suit themselves".

Such a lack of openness and candour does nothing for the credibility of the Government or for the public finances of this country.

The Government's case, as we heard today, is essentially that unemployment is not as high as expected and that repossessions are not as high as expected. It is worth highlighting the remarks of the Association of Business Recovery Professionals, which stated that after the last recession in the early 1990s, the peak of corporate liquidations occurred five quarters after the return of growth, and the peak of personal insolvencies was 18 months after the return of growth. In the recession in the early 1980s, the lag was even greater, so let us hope that we are not going to see a high number of insolvencies and liquidations, but the historic precedents suggest that the worst is still to come.

Alistair Burt (North-East Bedfordshire) (Con): Does my hon. Friend not think it is the most curious defence from a Labour Government facing the figures of unemployment and bankruptcies that we have, simply to say, "Oh well, it's not as bad as it might be. The bruising might be tough, but it could have been so much worse"? There has been a 118 per cent. increase in unemployment in my constituency since 1997, the 15th worst in the United Kingdom. My constituents do not take kindly to being told, "We've handled your affairs badly, but it could have been so much worse."

Mr. Gauke: I am grateful to my hon. Friend for that excellent intervention. We should remember that all Labour Governments leave unemployment higher than they inherited, and they therefore judge themselves by those standards. Even by those standards, the situation is pretty appalling. There was a moment of consensus about the importance of a flexible labour market. The hon. Member for Taunton (Mr. Browne) was right. The reason why unemployment has not gone up as much as it might have done is that more people are working part-time, which partly compensates for the smaller number of people working full-time. The number of people in full-time employment has gone down by about 600,000; the number of people in part-time work has gone up by 280,000. That is welcome flexibility. I am glad that the Minister welcomed it, but I am not sure that the trade unions that fund the Labour party do.

On the long-term trend, the Institute for Fiscal Studies' "Green Budget" made the point that

"the non-accelerating wage rate of unemployment (or 'natural' rate of unemployment) is set to rise markedly—perhaps by 3 percentage points, to around the 9 per cent. mark at end-2015."

Interestingly, the IFS went on to state:

"A government that tightens fiscal policy aggressively, and relies more upon spending cuts than tax hikes to do so, is likely to experience a lower rise in the NAWRU"—

the non-accelerating wage rate of unemployment—

"other things being equal."

Let us look at the growth projections on which the Government rely for their public finance projections. Generally, the IFS says that the UK is poorly placed; specifically, the "Green Budget" states:

"Most likely it will therefore suffer a further, and marked, deterioration in its productive capacity, and one that leaves the total decline in potential GDP greater than the 5 per cent. that the Treasury has assumed when making its projections."

The IFS has a central estimate of a 7.5 per cent. fall in productive capacity. It goes on to state:

"More worryingly still, the growth rate of potential GDP will probably also be significantly reduced. Rather than the 2.75 per cent. per annum that the Pre-Budget Report suggests as a central estimate, it is more likely that potential GDP growth will run at something close to 1.75 per cent. per annum."

That has a significant knock-on effect on the credibility of the public finance projections.

In support of the IFS view, which is broadly consistent with that of the OECD, we have the McKinsey report "Debt and Deleveraging: the global credit bubble and its economic consequences". It states that slow economic growth is the inevitable consequence of high relative indebtedness, and in that context it is interesting to examine McKinsey's calculations. It added up the debts of households, companies and Government and financial institutions and compared them with GDP. It found that the UK debt ratio was 466 per cent. That is slightly lower than Japan's 471 per cent., but they are far and away the two biggest ratios among the major economies. Even if one strips out the banks, and to be fair there is an argument for doing so, one is left with the UK as the second most indebted major economy.

On projections, the IFS is more optimistic than the Government about the borrowing number for 2009-10. It thinks that £178 billion may be overly pessimistic, but that is the end of the good news. It anticipates weaker growth than the Treasury in tax revenues for a given economic outlook, and it sets out Barclays bank's growth forecasts. Even under Barclays' central scenario, the fiscal forecast suggests that borrowing will persist at a higher level than the Treasury forecast.

Given the crisis in the public finances, what do we have from the Government? Their fiscal consolidation has been deferred until long after the general election, and there are no specific details about departmental spending. In fact, the Government have been downright evasive. There is no consistent willingness to level with the British people about what will be necessary; and, as for institutional change in order to enhance the UK's credibility, rather than create the widely welcomed office for budget responsibility, they have introduced the universally derided Fiscal Responsibility Bill.

The Opposition are optimists: we believe that this country can do better and can address the long-term challenges. But the fact is that we must be realistic about our situation. The Prime Minister promised an end to boom and bust; he has given us the worst bust since the depression. He said that Britain was best placed to withstand the recession; he has given us the worst recession of any country in the G7 and the longest of any in the G20. The Government promised us sustainable public finances; we have the worst budget deficit in our history, and our credit rating is under threat.

We have a boom built on debt—a burden that will hold back growth and drive up unemployment if we do not do something about it. The Government will not accept their responsibility for the disastrous state of the public finances, and they are not fit to accept responsibility for our public finances after the general election. The pre-Budget report reveals a Government who have a legacy of failure and no plan for the future. This country can afford this Government no longer. It is time for a change.

2.56 pm

Mr. Jeremy Browne (Taunton) (LD): I shall seek to be reasonably brief, because others wish to contribute to our deliberations and our time is limited.

The hon. Member for South-West Hertfordshire (Mr. Gauke), the Conservative spokesman, concluded his speech by summarising the Government's position, and summarising it well. The Prime Minister appeared to make his reputation on the basis that he was an iron Chancellor who had golden rules in place to prevent our total national debt from rising above 40 per cent. of GDP; and on the basis that he had, uniquely in the history of capitalism and human endeavour, abolished the cycle of boom and bust. Now in these debates we find that none of that was true at all. Indeed, the very basis on which the Labour party decided unanimously to make the right hon. Gentleman the leader of their party and the Prime Minister has been undermined absolutely, and his credentials are mere dust.

If we compare today's economy with the boasts that the right hon. Gentleman made as Chancellor and as Prime Minister, we find that in 2009 Britain's GDP fell by almost 5 per cent., our biggest fall in a single calendar year in peacetime since 1921, and that our national debt is increasing by £500 million every single day. The ready reckoner has always been that a deficit of more than 10 per cent. of GDP puts a country in dangerous territory; we will have a deficit of more than 12 per cent., not only this year, but next year. Throughout

this period, Government forecasts have been hopelessly wrong, but in debates with me and others the Chancellor keeps denying that.

Let me remind the House that in the 2008 Budget, less than two years ago, the Government forecast that the deficit for this year, 2009-10, would be £38 billion; instead, it is £178 billion. The Government's forecast was wrong by exactly £140 billion. The figure is even worse for 2010-11: less than two years ago the Government forecast a £32 billion deficit; now they forecast a deficit of £176 billion.

As the hon. Member for South-West Hertfordshire said, our recession compares very badly to those of other countries in the G7 and the G20. Even now, when we are out of recession, the anaemic growth figure, as the hon. Member for North-West Cambridgeshire (Mr. Vara) put it, of 0.1 per cent. means that there remains the genuine possibility that we may not be out of the woods. The economy may yet re-enter recession. I hope that it will not, and on the balance of probability I suspect that it will not, but the risk nevertheless remains real.

We have a Chancellor and a Prime Minister in a state of complete denial. We had, shortly before Christmas, the absurd spectacle of the Chancellor, in his pre-Budget report, coming before us to tell us of all the tough measures that he was taking in order to get to grips with the deficit, and then announcing additional spending programmes that exceeded in value the amount of money that he was saving through the austerity measures that he was bringing before us. We had the Prime Minister, in his speech to the Labour party conference, coming up with a shopping list of new spending commitments as if none of this were happening—as if the good times were rolling on and on, the golden rule was being adhered to, and we were still repaying debt. He came up with this proposal here and that proposal there—presumably all designed to try to make the Labour party's appeal greater at the general election, but based on absolutely nothing. There was no credibility and no funding available for any of those proposals.

Now, finally, we have the utterly preposterous Fiscal Responsibility Bill, which represents a desire by the Government to say that if they wish something to happen, it will happen by magic. They do not have the measures in place to bring about the 50 per cent. cut in the deficit over the lifetime of the next Parliament to which they say that they are committed. They cannot credibly show how they will achieve that objective.

It is a very sorry situation that the Government find themselves in. I therefore looked at the Conservative amendment with keener interest than I might have done in other circumstances, trying to find a credible alternative to what is clearly an incredible Government. I note that the Conservative shadow Chancellor has wisely left his name off the amendment, which calls for a "credible plan", presumably on the basis that associating himself with something that was credible would lead to a lot of scorn in this House. It has been a truly dreadful week and a bit for the credibility of the shadow Chancellor and for some of his team, although I suspect that the hon. Member for South-West Hertfordshire has done his best behind the scenes to try to keep his party on track. Last week, the shadow Chancellor set out his eight benchmarks, saying at the British Museum, "This is my plan for Britain." I will not read out lots of quotes, but this is directly relevant to whether we should take the Conservative amendment seriously. *City AM* said of the shadow Chancellor's proposals:

> "The report is a damp squib. A few of the proposals are great; most are fluffy; some are downright bad; none are new."

Andrew Alexander said in the *Daily Mail*, a paper very sympathetic to the Conservative party:

> "At one moment, the Opposition says it will be swift in making cuts; at another, that it will make them in due course".

Jonathan Freedland said in *The Guardian*:

> "The problem for Cameron is that his wobbling is not confined to the economy. There's a pattern here".

He goes on to cite other examples of where the Conservatives are wobbling in terms of policy and of credibility.

It is difficult for the Conservatives to argue that they have a credible plan to deal with the United Kingdom's deficit. According to the Government's figures, in 2010-11 Britain is projected to have a deficit of £176 billion; yet to deal with that deficit the Conservatives have offered in their last round of measures £1 billion-worth of "examples". In other words, a deficit that the Government clock up over a single weekend is the amount by which the Conservatives may reduce the deficit over the course of an entire year through finding a few examples of reductions.

The shadow Chancellor told us that this was the new age of austerity and that anybody who did not believe that tough measures were necessary right now was not telling the British public the truth. Then, only a few weeks and months later, we find out that that is no longer his analysis at all—that in fact the Conservatives do not have any meaningful proposals to reduce the deficit and are not even sure whether that is something to which they wish to turn their attention in the immediate future. No wonder there is widespread anxiety about the suitability of the shadow Chancellor and his party to assume the responsibilities of government.

Where does that leave us? The situation in this country is very serious. The Conservative spokesman and others are right to warn that our deficit is not sustainable in anything like the medium to longer terms. We cannot go on living so much beyond our means that we are having to fund through borrowing something in the region of a fifth to a quarter of all public spending. That is why my party and I have put forward a series of proposals that, as I readily accept, do not go as far as we would need to go in order to deal with this problem in its entirety, but go a lot further than any other party has been willing to go in putting forward concrete proposals to get to grips with the truly dreadful deficit that the Government have left this country. The Conservatives have acquiesced in keeping that debate and the full consequences from the public.

At the same time, we readily acknowledge that one does not switch off the life support machine until one is certain that the patient is dead. The patient that is the British economy is in an extremely sickly state at the moment. It is still not at all certain, until we see the growth figures for the first quarter of 2010, that the patient is functioning in anything like the healthy state that we would wish it to. On that basis, there is a reasonable economic consensus that it would be a mistake to cut too quickly. There is a danger of cutting too fast, as well as a danger of cutting too slowly. I am afraid

[Mr. Jeremy Browne]

that the Conservatives, by trying to ride both those horses at once, no longer have a credible alternative plan in place; and the Government's credibility has disappeared altogether. We will need a tough, disciplined, intelligent approach to trying to get our deficit under control once we have tried to get the economy back into growth and on a stable footing again.

Several hon. Members *rose—*

Mr. Deputy Speaker: Order. If hon. Members wish to hear a short reply by the Minister, there is limited time for those who wish to contribute from the Back Benches. I hope that there will be a certain amount of co-operation between those hon. Members.

3.7 pm

Mr. William Cash (Stone) (Con): The issue before us goes rather deeper than the pre-Budget statement and the report, and, if I dare say so, rather beyond even the very sensible amendment that has been tabled by my hon. Friends. I say that because the origin of section 5 has to be observed if we are to know exactly what we are talking about in terms of the British economy in the context of the European Union.

On 4 May 1993, a Labour amendment was moved and then accepted by the then Government, basically in order to do a deal over the Maastricht treaty. The right hon. Member for Oxford, East (Mr. Smith), who was leading for the then Opposition, said that the object of the amendment was, first, to make clear the priority that the Opposition believed should attach to article 2 of the Maastricht treaty in setting the goals of the Community in general; secondly, to deal with the question of the assessment of criteria, particularly convergence; and thirdly, to deal with the question of accountability. It is important to look at what article 2 says, because that goes to the very heart of the crisis that is going on in Greece and the whole practicality of the European Union. It prescribes as follows:

"The Community shall have as its task, by establishing a common market and an economic and monetary union and by implementing the common policies...to promote throughout the Community a harmonious and balanced development of economic activities, sustainable and non-inflationary growth respecting the environment, a high degree of convergence of economic performance, a high level of employment and of social protection, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States."

That is what article 2 states, and of course it is now in the Lisbon treaty, which consolidated all the existing treaties.

The Maastricht rebels, for whom I had the honour of leading many of the debates, took a strong position and refused to support the arrangements in question. I am glad to be able to inform the House that the right hon. Member for Neath (Mr. Hain), no less, the current Secretary of State for Wales, made a powerful speech in which he condemned the wishful thinking of the arrangements, and went on to vote against the Maastricht treaty on Third Reading. He was joined by a number of Labour Members, but not enough.

This is not just about history; it is about the present. Based on our predictions, all the Maastricht rebels, including my hon. Friend the Member for Christchurch (Mr. Chope), who is sitting next to me today, declined to vote for the proposal on the grounds of the impracticability of what was contained in article 2. Now, as is becoming increasingly obvious in this context and many others, the European Union simply is not working. I refer to what section 5 of the 1993 Act actually states:

"Before submitting the information required in implementing"

the provisions of the treaty that I have just mentioned,

"Her Majesty's Government shall report to Parliament for its approval an assessment of the medium term economic and budgetary position in relation to public investment expenditure and to the social, economic and environmental goals set out in Article 2".

It states that the report will be submitted to the European Council and European Commission in pursuit of their responsibilities under various articles.

Over an extended period, particularly in relation to the Fiscal Responsibility Bill—I referred to it as the fiscal irresponsibility Bill—those of us on the Conservative Benches have made one attack after another not only on the United Kingdom's performance, as set out in the pre-Budget report, but on the performance of the eurozone countries in complying with those provisions. I spoke about that only last week in the debate about financial management in the European Committee. We have also made the point, as I did earlier, about the absurdity of the no-growth, no-stability, no-pact arrangements in the so-called stability and growth pact, which was introduced by my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke) in those heady days.

We are caught up in the failure of the European Community and European Union on their economic policies, which are simply not realistic. We need only examine article 2 to realise how much wishful thinking lies behind it. It does not work, because of the failure of the Lisbon agenda, because of over-regulation and because of the degree to which the report of the European Court of Auditors does not stack up, as I mentioned in Committee the other day. I do not have to repeat all that, because it is already on the record.

With regard to fiscal stability, the Government have failed woefully. I have said before that they have lied on the question of the actual debt, and that is why Standard & Poor's, PIMCO and other organisations that have great control and influence over both credit ratings and the bond market are looking so nervously at the underlying weakness of the British economy. The plain fact is that we are in serious difficulties and the Government are doing nothing about it. That is part and parcel of the problem that comes from attempting to subscribe to principles laid down in the Maastricht treaty, as endorsed by the Lisbon treaty, that simply do not work.

I have not advocated the idea of outright withdrawal, just like that. However, what is going on in the eurozone at the moment, as evidenced by a number of important articles that have been written over the past few days, has demonstrated the seriousness of the situation. It is simply astonishing that here we are in a virtually empty House, with nobody at all on the Labour Back Benches other than the Parliamentary Private Secretary to the Minister, when the eurozone is in deep trouble and may even be beyond crisis and when an economic summit meeting to deal with the matter is proposed for Thursday.

Wolfgang Münchau stated in the *Financial Times* in an article written on Monday 8 February that

"advocates of an IMF-led bail-out conveniently ignore the disastrous signal that this would send to the financial markets about where the eurozone is heading in the future."

I strongly recommend that anybody who reads these debates should also read that article. It continued:

"It would be so much better if the eurozone were to sort out its own problems."

That was certainly not what the Prime Minister said at Prime Minister's questions today.

There is deep concern that the International Monetary Fund may be called in to sort out the problem, but equally France and Germany might do so. As I have said repeatedly, it will be yet another prescription for danger in the EU if some counties, including ourselves as a net a contributor, are called upon to bail out others. It will not just be Greece, because as we have seen reported in the newspapers regarding Spain, the next step will be the same as on 16 September 1992. Those of us who had campaigned against the compulsory exchange rate mechanism were proved right when the ERM collapsed, to the serious detriment of the people of this country, including my constituents. Wolfgang Münchau stated that these last few days of February

"have reminded me of the speculative attacks on sterling and the Italian lira in September 1992."

He based his whole article on that analogy, and he is right, because it will not just be Greece. Whether or not Greece is bailed out, there will then be Spain, and then Italy, Ireland and Portugal, not even mentioning countries such as Romania and Bulgaria that are outside the eurozone for the time being and should never have been brought into the EU by accession. As everybody outside this place knows, we have a serious crisis for the eurozone as a whole. I do not say that with any great satisfaction or gloating, but I wish people had listened to us back in 1993.

Apart from voting against the mad arrangement that is now creating all the problems, in 1993 I said that we needed to ensure that we did not return to the dark forces of the past, with massive unemployment and the consequences of a failed economic system. That is what we predicted would happen, and we said that it would lead to the rise of the far right. That is exactly what I said in an article that I wrote in 1993, and I stand by it, because next to my constituency in Staffordshire the British National party is beginning to emerge.

There is a particular problem in Germany, because there is still an unemployment rate of more than 20 per cent. in the eastern part. The unity of the Deutschmark and now the euro has not solved the problems of eastern Germany. If the Germans are asked to bail out Greece—that is basically what is happening, because the French are just bystanders in this, and it is just a bit of political fixing—do we seriously believe that Angela Merkel and the German Government, not to mention the German people as a whole, will accept the prospect of bailing out all those other countries as well? That is what is in prospect.

Mr. Jeremy Browne: I am genuinely curious as to what solution the hon. Gentleman would suggest for Greece's problems if it was not a member of the European Union or the eurozone. Alternatively, for the sake of an illustrative debate, how would Greece address its severe budgetary problems if the EU did not exist at all?

Mr. Cash: That is a good point, and it applies, as things stand, to the UK. It is precisely because those of us who campaigned against going into the euro won the battle in the Maastricht debates—that was at huge political cost, but necessary in our vital national interest—that we are out of the euro. The Prime Minister has no credit for that whatever. He just kept the debate going because he knew we were right—that is all there is to it. The plain fact is that we were right. Regrettably, we had to fight a Conservative Government over a long period on that issue. If Greece were not in the eurozone, it too could do what the UK can do, which is keep afloat even though that means devaluation—we must recognise that there is an international financial crisis, but it is being made much worse.

In *City AM* today, Allister Heath, who at one time was the chairman and research director of the European Foundation, which I founded in 1993, says:

"Bailing out Greece is not the answer".

There is another exceptionally good article in that paper as well. The plain fact is that the analysis in the City is clear. There is deep worry, and every reason why people should be worried.

In an article in today's *Financial Times*, Martin Wolf says that Germans must start buying to save Europe's stragglers. At the end of it, he says that that

"requires improved competitiveness and buoyant external demand"

but that

"At present, none of this is available."

The point is that in his proposals on the European Union, my right hon. Friend the Member for Witney (Mr. Cameron) has made it clear that his imperative is to increase British competitiveness, and it is absolutely essential that we do so. We need to get rid of unnecessary over-regulation, most of which comes from the EU. We must follow up those proposals, but how will we do it?

That is where there is a serious and important decision to be taken. The decision hinges on my gold-standard—if I may dare to call it that—United Kingdom Parliamentary Sovereignty Bill, which has been debated in the House and which is strongly supported by a significant number of Conservative Members. My right hon. Friend has accepted it in principle, because he has stated that there will be a sovereignty Bill.

What is the relevance of that Bill to this debate? There are economic crises in Europe and the UK, and we cannot separate the European issue from economic questions. The two things are absolutely interwoven on reacquiring growth and competitiveness, as my right hon. Friend said, and on the applications of the stability and growth pact and the Maastricht criteria, to which I have referred.

Rather than take issue with Conservative Front Benchers on that subject, I will simply say that it would be a great mistake to attempt to deal only with the economy in our manifesto going into the general election. We must deal with the European dimension at the same time. Therefore, we should deal with both the European issue—in spades—as well as the economic issue, because they are interdependent. To achieve that, we must repatriate powers to the UK Parliament, Government and people to ensure that we have a working, stable democracy that achieves for the UK the objectives of stability and competitiveness, to enable us to secure jobs and move forward.

[Mr. Cash]

On that basis, my Bill would provide the template to enable us to repatriate powers where there is any conflict between the requirements set out in the old Maastricht treaty and now in the Lisbon treaty, or the requirement for competitiveness—there is a stack of stuff that I will not now go into to deal with that. When it comes to repatriation of powers, we must be in a position to require the judiciary to take note of, follow and obey the Westminster legislation that is needed to override the European legislation. That is the solid template. That is what it is all about.

Mr. Browne: When the right hon. Member for Witney (Mr. Cameron) warned members of his party to stop "banging on" about Europe, did that put any doubt in the mind of the hon. Member for Stone (Mr. Cash) regarding his commitment to the United Kingdom Parliamentary Sovereignty Bill that he introduced to the House?

Mr. Cash: Absolutely none whatever. I was asked that question several months ago, and I said that I would make no apology for so-called "banging on" about Europe, because I am realist. The Bill is exactly what we need to get the European issue and the economic questions running together. My right hon. Friend the Member for Witney has on three separate occasions supported that Bill by providing Tellers for my proposals on the supremacy of Parliament. We are running together on the Bill. It is just a question of how clear and categorical that measure is.

This is a crucial debate, because it is about the future of the British economy and achieving an association of nation states. Everybody needs to wake up and understand that.

3.27 pm

Mr. Andrew Tyrie (Chichester) (Con): That was as usual an extremely interesting speech from my hon. Friend the Member for Stone (Mr. Cash)—apart from the fact that I have heard it before and so have had time to think about it. I agree with three quarters of it, and there are just a few slivers that keep jutting in that I find difficult to go along with in full. Rather than answer my hon. Friend's speech, I will have a go at making my own in the time remaining.

We are debating fiscal fig leaves today—the European fiscal fig leaf is called the growth and stability pact; and our own is called the fiscal rules which, of course, lie in a heap of rubble. The stability and growth pact was a sop to the Germans, who wanted some protection against exactly what has now happened, which is Greece behaving highly irresponsibly. The Germans got nothing more substantive than the pact. When he was Chancellor of the Exchequer, the Prime Minister clearly wanted a fiscal fig leaf to convince the markets that there was something substantial to buttress his idea that he was able to abolish boom and bust. We know what happened to that.

I was going to say a few words about how much worse or better off we would have been in the eurozone, but I dare not, given present company, so I will move on swiftly. We are none the less subject to what is known as the excessive deficit procedure. That is what we are debating today. Under the procedure, we are required to deliver an explanation to the Council, and we have that 112-page document today, although it was difficult to get hold of. I got a copy from the Library this morning and it is just a cut and paste job of the pre-Budget report, which is why some of the phraseology reads like something that was published some time ago.

Like the PBR, the document is a fitting product from a fag-end Government at the end of their parliamentary term. The main elements of the document—and the PBR—are a forecast that carries very little credibility, a plan to deal with the fiscal crisis, which nobody believes, and proposals for a Fiscal Responsibility Act to replace the shattered fiscal rules. That Act is now on the statute book and was so absurd that not a single Labour Member outside the Government was prepared to speak in its defence. What we should have had was, first, a forecast with some independent verification and, therefore, some credibility. Secondly, we should have had a plan to close the deficit supported by credible numbers on public spending cuts. Thirdly, we needed something along the lines of an office for fiscal responsibility to support the credibility of the Government's fiscal policy in the longer term. Those three measures would have given some substance to our submission to the Council on how we would remedy the fiscal crisis under the excessive deficit procedure.

The UK agreed in December 2009, at a meeting of the Council, to a deadline of 2014-15 to correct our non-compliance under the rules. Of course, that deadline will have to be completely ignored. If the Government were to be re-elected, compliance would rely entirely on the PBR which is, as we know, virtually content-free. The condemnation of the PBR was so severe that I cannot remember anything like it. I shall not rehearse all the quotations now, but anything produced by Goldman Sachs, Barclays, Citigroup and a host of others will confirm my point.

Does it matter that we are living in this Alice in Wonderland world of fiscal policy, and how does it affect our constituents? The first respect in which it matters is a highly political one. Make-believe documents—for that is what we have before us—give the impression of a more benign medium-term environment than actually exists. Unless we tell the electorate the truth about the public finances, the next election will take place on the basis of a false prospectus, and that erodes the credibility of politicians, politics and this institution. It eats away at the moral authority of any Government trying to deal with the crisis, just as the false prospectus on Iraq did at the time of that crisis. In the end, the whole nation suffers as trust in Government atrophies. Unless we are careful, that is what awaits us on economic policy. That is where we were in the dark days of the 1970s, for those of us who can remember them, and it is important that we never let that happen again.

A second respect in which it matters that this document lacks real substance is that the vacuity of the PBR costs money, including higher public spending. To the extent that markets lose confidence in Government plans, the cost of Government borrowing rises, and we all pay for that. That is why it is worth considering the effects of the Government's fiscal plans from the perspective of the bond markets.

It has been extraordinary to hear Ministers congratulating themselves on the stability of the gilt market. They have done that during the past two debates, but we cannot let

them get away with it. It is true that they are issuing huge amounts of gilts and the funding gap is truly horrendous, as the Governor of the Bank of England has said. As far as I know, it is unprecedented in peacetime. However, at the moment it is being plugged by quantitative easing. The UK Debt Management Office sells the stuff in Eastcheap and, on the Chancellor's instructions, the Bank of England buys it straight back the next day in Threadneedle street. That is a few hundred yards away and a safe round trip, so it is no wonder that we do not have a funding crisis and the gilt market is stable. Of course, eventually we will have to bring this Alice in Wonderland world to an end; quantitative easing will have to end, as no country can live on funny money for ever.

I have not heard the following point made before in the House, so I should say that the real test will be posed not only by the fact that QE will be brought to an end, but by the fact that the accumulated stock of what we have bought in under QE will have to be funded and eventually offloaded back into the markets, and that will also cost a huge sum. I was going to discuss some estimates of that cost, but I do not have time to do so now. However, I can assure hon. Members that even only modest increases in the long-run yield generate large numbers, which will result in lower public spending or higher taxes in the long run.

Withdrawing from QE and handling the consequences of QE in the long run will require very careful management, otherwise the gilt markets simply will not be able to absorb what is being offloaded. These twin issues of the funding of the deficit and the servicing of the debt will become the most salient in British politics in the next few years, just as the balance of payments was in the fixed exchange rate era of the '60s and early '70s. This will require a level of competence from the governing party that has been entirely absent in recent months. After all, it was not even able to organise a leadership coup after three attempts; one would hope to have one's ducks in a row on the third go. Everybody knows that this country needs another Prime Minister, but the Labour party seems unable to organise even that.

The bond market problem will be the same one that is confronting Greece—my hon. Friend the Member for Stone alluded to that a moment ago. Greece is struggling and it is making the same submission that we are making to the Council—the Greeks are also scribbling away trying to explain how they are going to comply with the stability and growth pact. The markets will be making their minds up about Greece too. The last time I looked at this, which was a week or so ago, I found that the long-yield premium on Greek bonds had already widened to 300 basis points. The risk for Greece is that that widens to such a point that the markets say, "We don't believe you'd ever pay it back." At that point, the country would go bust.

The Prime Minister told us what would happen in such circumstances at the Dispatch Box during Prime Minister's questions: either the eurozone would have a whip-round and bail the country out—that would be led by the Germans, who are the very people who wanted to avoid all this and who pressed so hard for something tighter and more vigorous than the stability and growth pact—or the International Monetary Fund would have to do the heavy lifting and bail Greece out.

Mr. Cash: Will my hon. Friend give way?

Mr. Tyrie: If my hon. Friend will allow me, I will not, because I wish to conclude my remarks so as to give the Minister a moment or two to respond.

There will be many implications for inflation in the long run as a result of what has been occurring—that, too, has not been mentioned today. When more normal credit conditions in the financial sector return, as they will, and when the relatively benign international inflationary outlook deteriorates, as it might eventually, it is inevitable that the scale of the debt overhang will have at least some consequences for inflation. Therefore, whatever the state of the economy, in the long run interest rates will have to be higher than they otherwise would be, given that there is all this borrowing to service. I worry that that will become a medium-term problem for us too.

The plain fact is that right at the heart of the Government's failure was the cancellation of the spending review in the pre-Budget report and the abandonment of the fiscal rules, which destroyed the credibility of the Government's overall economic framework. I do not think that they can put that back together and I do not think that anybody would believe them even if they had got the right policies in place. Only a change in Government can now restore the credibility of economic policy in Britain.

3.39 pm

Ian Pearson: With the leave of the House, I shall respond briefly to the debate.

First, I want to address the point raised by the hon. Member for South-West Hertfordshire (Mr. Gauke) when he said that the report was late and copies were not available. This year, the Commission's deadline for the report was later than it was last year, which is one of the reasons why it was produced in January rather than December. As the hon. Member for Chichester (Mr. Tyrie) said, the report is pretty much a cut and paste job, and he is right that it has been the practice of the UK Government to produce reports under section 5 based on pre-Budget reports. That is what this document is. I would also say to the hon. Member for South-West Hertfordshire that we laid a written ministerial statement at the time of publication, wrote letters to the Opposition to make them aware of its existence and said that it would form the basis of the section 5 debate. I cannot therefore see why he should have had any problem in getting hold of the document.

As is always the case when we discuss these issues, we have had a very interesting debate. The hon. Member for Stone (Mr. Cash) said that we should not separate the UK economy from the European economy when it comes to deciding policy, which is probably the only thing on which I agree with him. The UK economy is closely interwoven with that of Europe, and it is in the UK's strategic interests that we continue to be a full and active member of the European Union and take advantage of the fact that there are 500 million consumers in the European marketplace. It is vital that we recognise that huge numbers of jobs are reliant on our relationship with the EU—figures that I have seen suggest that about 3.5 million are directly related to EU membership.

Mr. Cash: Will the Minister give way?

Ian Pearson: If the hon. Gentleman will forgive me, I have a maximum of three minutes left, and rather than reopen the debate, I would like to reply to it.

[Ian Pearson]

It is my understanding that the Governor of the Bank of England said only today that he could not think of any reason why the UK should lose its credit rating, and he pointed out that the UK has a very good track record. Furthermore, according to the International Monetary Fund's most recent forecast, the UK's gross debt in 2010, as a percentage of gross domestic product, will be lower than that of France and Germany, certainly much lower than that of Italy and Japan, lower than that of the United States and, indeed, the G7 average, and lower than that of every G7 country except Canada.

I listened carefully to the speech made by the hon. Member for South-West Hertfordshire, but I did not hear a single word about what, if anything, the Conservative party would do were it in power. That might count as a result for him, however, given what the shadow Chancellor and some of his other shadow Treasury colleagues have said in recent weeks and then immediately had to recant. The Conservative party seems to be in a state of complete policy paralysis, which might not be bad for him, because at least he has been able to defend that position today.

The hon. Member for Chichester was completely wrong when he suggested that the PBR is a make-believe document—that is a travesty of all the hard work done by many civil servants to produce it. He will be aware that its growth forecasts for 2010 are now at the lower end of the consensus range—

3.44 pm

One and a half hours having elapsed since the commencement of proceedings on the motion, the Deputy Speaker put the Question (Standing Order No. 16(1)).

Question put, That the amendment be made.

The House proceeded to a Division.

Madam Deputy Speaker (Sylvia Heal): I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 179, Noes 227.

Division No. 80] **[3.44 pm**

AYES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Cormack, Sir Patrick
Curry, rh Mr. David
Davey, Mr. Edward
Davies, David T.C. *(Monmouth)*
Davies, Philip
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Nadine
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Green, Damian
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Huhne, Chris
Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Maclean, rh David
Malins, Mr. Humfrey
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rogerson, Dan
Rosindell, Andrew
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spink, Bob
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Whittingdale, Mr. John
Wiggin, Bill
Willetts, Mr. David
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willis, Mr. Phil
Willott, Jenny
Wilson, Mr. Rob
Winterton, Ann
Winterton, Sir Nicholas
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Ayes:
Mr. Stephen Crabb and Jeremy Wright

NOES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Blizzard, Mr. Bob
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Caborn, rh Mr. Richard
Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Davies, Mr. Dai
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Doran, Mr. Frank
Dowd, Jim
Drew, Mr. David
Durkan, Mark
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hain, rh Mr. Peter
Hall, Mr. Mike
Hall, Patrick
Hanson, rh Mr. David
Healey, rh John
Hepburn, Mr. Stephen
Hermon, Lady
Hesford, Stephen
Hewitt, rh Ms Patricia
Hill, rh Keith
Hillier, Meg
Hodge, rh Margaret
Hodgson, Mrs. Sharon
Hopkins, Kelvin
Howarth, rh Mr. George
Howells, rh Dr. Kim
Hoyle, Mr. Lindsay
Hutton, rh Mr. John
Iddon, Dr. Brian
Ingram, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Killoyle, Mr. Peter
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
Mason, John
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy, Kerry
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McDonnell, John
McIsaac, Shona
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Robinson, Mr. Geoffrey
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Simpson, Alan
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Sloate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Taylor, Ms Dari
Thomas, Mr. Gareth
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Watson, Mr. Tom
Weir, Mr. Mike
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony

Tellers for the Noes:
Mark Tami and Mr. Dave Watts

Question accordingly negatived.

Main Question put.

The House divided: Ayes 216, Noes 189.

Division No. 81] **[4 pm**

AYES

Abbott, Ms Diane
Ainger, Nick
Ainsworth, rh Mr. Bob
Allen, Mr. Graham
Anderson, Mr. David
Anderson, Janet
Armstrong, rh Hilary
Atkins, Charlotte
Austin, Mr. Ian
Austin, John
Bailey, Mr. Adrian
Bain, Mr. William
Baird, Vera
Barlow, Ms Celia
Barron, rh Mr. Kevin
Battle, rh John
Bayley, Hugh
Begg, Miss Anne
Benn, rh Hilary
Benton, Mr. Joe
Berry, Roger
Betts, Mr. Clive
Blackman, Liz
Blackman-Woods, Dr. Roberta
Bradshaw, rh Mr. Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr. Nicholas
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burgon, Colin
Butler, Ms Dawn
Caborn, rh Mr. Richard

Cairns, David
Campbell, Mr. Alan
Campbell, Mr. Ronnie
Caton, Mr. Martin
Challen, Colin
Chapman, Ben
Clapham, Mr. Michael
Clark, Ms Katy
Clarke, rh Mr. Tom
Clwyd, rh Ann
Coaker, Mr. Vernon
Coffey, Ann
Cohen, Harry
Connarty, Michael
Cooper, Rosie
Cousins, Jim
Crausby, Mr. David
Creagh, Mary
Cruddas, Jon
Cryer, Mrs. Ann
Cummings, John
Cunningham, Tony
David, Mr. Wayne
Davidson, Mr. Ian
Dean, Mrs. Janet
Denham, rh Mr. John
Dhanda, Mr. Parmjit
Dismore, Mr. Andrew
Dobbin, Jim
Doran, Mr. Frank
Dowd, Jim
Eagle, Angela
Eagle, Maria
Efford, Clive
Ellman, Mrs. Louise
Engel, Natascha
Etherington, Bill
Farrelly, Paul
Fisher, Mark
Fitzpatrick, Jim
Flint, rh Caroline
Flynn, Paul
Foster, Mr. Michael *(Worcester)*
Foster, Michael Jabez *(Hastings and Rye)*
Gardiner, Barry
George, rh Mr. Bruce
Gerrard, Mr. Neil
Goodman, Helen
Griffith, Nia
Grogan, Mr. John
Hall, Mr. Mike
Hall, Patrick
Hanson, rh Mr. David
Healey, rh John
Hepburn, Mr. Stephen
Hermon, Lady
Hesford, Stephen
Hill, rh Keith
Hillier, Meg
Hodgson, Mrs. Sharon
Howarth, rh Mr. George
Hoyle, Mr. Lindsay
Hutton, rh Mr. John
Iddon, Dr. Brian
Ilsley, Mr. Eric
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs. Siân C.
Jenkins, Mr. Brian
Johnson, rh Alan
Johnson, Ms Diana R.
Jones, Helen
Jones, Lynne
Joyce, Mr. Eric
Kaufman, rh Sir Gerald
Keeble, Ms Sally
Keeley, Barbara
Keen, Alan
Kelly, rh Ruth
Kemp, Mr. Fraser
Khan, rh Mr. Sadiq
Kilfoyle, Mr. Peter
Lazarowicz, Mark
Lepper, David
Levitt, Tom
Linton, Martin
Lloyd, Tony
Love, Mr. Andrew
MacShane, rh Mr. Denis
Mactaggart, Fiona
Mallaber, Judy
Mann, John
Marsden, Mr. Gordon
Marshall-Andrews, Mr. Robert
McAvoy, rh Mr. Thomas
McCabe, Steve
McCarthy-Fry, Sarah
McDonagh, Siobhain
McDonnell, Dr. Alasdair
McFadden, rh Mr. Pat
McIsaac, Shona
McNulty, rh Mr. Tony
Merron, Gillian
Michael, rh Alun
Miliband, rh Edward
Miller, Andrew
Mitchell, Mr. Austin
Moffat, Anne
Mole, Chris
Moon, Mrs. Madeleine
Morden, Jessica
Morgan, Julie
Mudie, Mr. George
Mullin, Mr. Chris
Munn, Meg
Murphy, rh Mr. Paul
Naysmith, Dr. Doug
O'Brien, rh Mr. Mike
O'Hara, Mr. Edward
Olner, Mr. Bill
Palmer, Dr. Nick
Pearson, Ian
Pelling, Mr. Andrew
Plaskitt, Mr. James
Pound, Stephen
Prentice, Mr. Gordon
Prescott, rh Mr. John
Primarolo, rh Dawn
Prosser, Gwyn
Raynsford, rh Mr. Nick
Reed, Mr. Andy
Robinson, Mr. Geoffrey
Ruddock, Joan
Russell, Christine
Ryan, rh Joan
Sarwar, Mr. Mohammad
Seabeck, Alison
Sharma, Mr. Virendra
Shaw, Jonathan
Sheridan, Jim
Simon, Mr. Siôn
Singh, Mr. Marsha
Skinner, Mr. Dennis
Smith, Ms Angela C. *(Sheffield, Hillsborough)*
Smith, rh Angela E. *(Basildon)*
Smith, rh Jacqui
Smith, John
Snelgrove, Anne
Soulsby, Sir Peter
Southworth, Helen
Spellar, rh Mr. John
Starkey, Dr. Phyllis
Stoate, Dr. Howard
Straw, rh Mr. Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr. Gerry
Tami, Mark
Taylor, Ms Dari
Thomas, Mr. Gareth
Tipping, Paddy
Touhig, rh Mr. Don
Trickett, Jon
Truswell, Mr. Paul
Turner, Dr. Desmond
Turner, Mr. Neil
Twigg, Derek
Vaz, rh Keith
Watson, Mr. Tom
Watts, Mr. Dave
Whitehead, Dr. Alan
Wicks, rh Malcolm
Williams, rh Mr. Alan
Williams, Mrs. Betty
Wilson, Phil
Winnick, Mr. David
Winterton, rh Ms Rosie
Wright, Mr. Anthony
Wright, David
Wright, Mr. Iain
Wright, Dr. Tony
Wyatt, Derek

Tellers for the Ayes:
Mr. Bob Blizzard and Kerry McCarthy

NOES

Afriyie, Adam
Ainsworth, Mr. Peter
Amess, Mr. David
Arbuthnot, rh Mr. James
Atkinson, Mr. Peter
Bacon, Mr. Richard
Barker, Gregory
Baron, Mr. John
Bellingham, Mr. Henry
Benyon, Mr. Richard
Beresford, Sir Paul
Binley, Mr. Brian
Blunt, Mr. Crispin
Bone, Mr. Peter
Boswell, Mr. Tim
Bottomley, Peter
Brady, Mr. Graham
Brake, Tom
Brazier, Mr. Julian
Brokenshire, James
Browne, Mr. Jeremy
Browning, Angela
Burns, Mr. Simon
Burrowes, Mr. David
Burt, Alistair
Cable, Dr. Vincent
Campbell, Mr. Gregory
Carmichael, Mr. Alistair
Carswell, Mr. Douglas
Cash, Mr. William
Chope, Mr. Christopher
Clark, Greg
Clarke, rh Mr. Kenneth
Cormack, Sir Patrick
Curry, rh Mr. David
Davey, Mr. Edward
Davies, Mr. Dai
Davies, David T.C. *(Monmouth)*
Davis, rh David
Djanogly, Mr. Jonathan
Dodds, Mr. Nigel
Dorrell, rh Mr. Stephen
Dorries, Nadine
Drew, Mr. David
Duddridge, James
Duncan, Alan
Dunne, Mr. Philip
Ellwood, Mr. Tobias
Evans, Mr. Nigel
Evennett, Mr. David
Fabricant, Michael
Fallon, Mr. Michael
Farron, Tim
Featherstone, Lynne
Field, Mr. Mark
Foster, Mr. Don
Fox, Dr. Liam
Francois, Mr. Mark
Fraser, Christopher
Gale, Mr. Roger
Garnier, Mr. Edward
Gauke, Mr. David
George, Andrew
Gibb, Mr. Nick
Gillan, Mrs. Cheryl
Goodman, Mr. Paul
Goodwill, Mr. Robert
Gray, Mr. James
Grayling, Chris
Green, Damian
Greenway, Mr. John
Grieve, Mr. Dominic
Gummer, rh Mr. John
Hague, rh Mr. William
Hancock, Mr. Mike
Harper, Mr. Mark
Harris, Dr. Evan
Hayes, Mr. John
Heald, Mr. Oliver
Heath, Mr. David
Heathcoat-Amory, rh Mr. David
Hendry, Charles
Herbert, Nick
Hoban, Mr. Mark
Hogg, rh Mr. Douglas
Hollobone, Mr. Philip
Holmes, Paul
Howard, rh Mr. Michael
Howarth, David
Howarth, Mr. Gerald
Howell, John
Huhne, Chris

Hurd, Mr. Nick
Jack, rh Mr. Michael
Jackson, Mr. Stewart
Jenkin, Mr. Bernard
Jones, Mr. David
Kawczynski, Daniel
Keetch, Mr. Paul
Key, Robert
Kirkbride, Miss Julie
Knight, rh Mr. Greg
Kramer, Susan
Laing, Mrs. Eleanor
Lait, Mrs. Jacqui
Lancaster, Mr. Mark
Laws, Mr. David
Leech, Mr. John
Leigh, Mr. Edward
Letwin, rh Mr. Oliver
Lewis, Dr. Julian
Liddell-Grainger, Mr. Ian
Lidington, Mr. David
Loughton, Tim
Luff, Peter
Maclean, rh David
Malins, Mr. Humfrey
Mason, John
Maude, rh Mr. Francis
May, rh Mrs. Theresa
McCrea, Dr. William
McIntosh, Miss Anne
McLoughlin, rh Mr. Patrick
Miller, Mrs. Maria
Milton, Anne
Mitchell, Mr. Andrew
Mundell, David
Murrison, Dr. Andrew
Neill, Robert
Newmark, Mr. Brooks
O'Brien, Mr. Stephen
Öpik, Lembit
Paterson, Mr. Owen
Penning, Mike
Penrose, John
Pickles, Mr. Eric
Prisk, Mr. Mark
Pritchard, Mark
Randall, Mr. John
Redwood, rh Mr. John
Reid, Mr. Alan
Rifkind, rh Sir Malcolm
Robathan, Mr. Andrew
Robertson, Hugh
Robertson, Mr. Laurence
Rosindell, Andrew
Russell, Bob
Scott, Mr. Lee
Selous, Andrew
Shepherd, Mr. Richard
Simmonds, Mark
Smith, Chloe
Smith, Sir Robert
Soames, Mr. Nicholas
Spelman, Mrs. Caroline
Spink, Bob
Streeter, Mr. Gary
Stuart, Mr. Graham
Stunell, Andrew
Swayne, Mr. Desmond
Swinson, Jo
Swire, Mr. Hugo
Syms, Mr. Robert
Tapsell, Sir Peter
Taylor, Mr. Ian
Thurso, John
Turner, Mr. Andrew
Tyrie, Mr. Andrew
Vaizey, Mr. Edward
Vara, Mr. Shailesh
Viggers, Sir Peter
Walker, Mr. Charles
Wallace, Mr. Ben
Waterson, Mr. Nigel
Watkinson, Angela
Weir, Mr. Mike
Whittingdale, Mr. John
Willetts, Mr. David
Williams, Mark
Williams, Mr. Roger
Williams, Stephen
Willott, Jenny
Wilson, Mr. Rob
Wilson, Sammy
Winterton, Ann
Winterton, Sir Nicholas
Wright, Jeremy
Yeo, Mr. Tim
Young, rh Sir George

Tellers for the Noes:
Bill Wiggin and Mr. Stephen Crabb

Question accordingly agreed to.

Resolved,

That this House takes note with approval of the Government's assessment as set out in the Pre-Budget Report 2009 for the purposes of section 5 of the European Communities (Amendment) Act 1993.

ROYAL ASSENT

Madam Deputy Speaker (Sylvia Heal): I have to notify the House, in accordance with the Royal Assent Act 1967, that Her Majesty has signified her Royal Assent to the following Acts:

Terrorist Asset-Freezing (Temporary Provisions) Act 2010

Fiscal Responsibility Act 2010.

House of Commons Disqualification Act 1975

4.11 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): I beg to move,

That Schedule 1 to the House of Commons Disqualification Act 1975 be amended as follows:—

PART 1 OF SCHEDULE 1 (JUDICIAL OFFICES)

1. The following entry is inserted at the appropriate place:—

District judge (magistrates' courts), or deputy district judge (magistrates' courts), in Northern Ireland.

2. The following entry is omitted:—

Resident Magistrate or Deputy Resident Magistrate appointed under the Magistrates' Courts Act (Northern Ireland) 1964.

3. In the entry beginning 'Sheriff Principal or Sheriff', for 'Temporary Sheriff' (in the second place those words appear) there is substituted 'part-time sheriff'.

4. In the entry beginning 'Chief or other Child Support Commissioner for Northern Ireland', for the words from '(excluding' to '1991)' there is substituted 'or deputy Child Support Commissioner for Northern Ireland'.

5. In the entry beginning 'Chief or other Social Security Commissioner for Northern Ireland', for '(not including a deputy Commissioner)' there is substituted 'or deputy Social Security Commissioner for Northern Ireland'.

PART 2 OF SCHEDULE 1 (BODIES ALL OF WHOSE MEMBERS ARE DISQUALIFIED)

Additional entries

6. The following entries are inserted at the appropriate places—

The Accounts Commission for Scotland.
The Advisory Council established under section 3 of the Scottish Qualification Authority Act 2002.
The Armed Forces Pay Review Body.
The Arts Council of England.
The British Transport Police Authority.
The Care Council for Wales.
The Charity Commission for Northern Ireland.
The Commission for Victims and Survivors for Northern Ireland.
The English Sports Council.
The General Social Care Council.
The Health and Social Care Regulation and Quality Improvement Authority in Northern Ireland.
The Horserace Betting Levy Appeal Tribunal for England and Wales.
Invest Northern Ireland.
The NHS Pay Review Body.
The Northern Ireland Legal Services Commission.
The Northern Ireland Social Care Council.
The Office of the Renewable Fuels Agency.
The Prison Service Pay Review Body.
The Review Body on Doctors and Dentists Remuneration.
The Risk Management Authority established under the Criminal Justice (Scotland) Act 2003.
The School Teachers' Review Body.
The Scottish Further and Higher Education Funding Council.
The Scottish Social Services Council.
The Senior Salaries Review Body.
The Standards Commission for Scotland.
The Sustainable Development Commission (an advisory sub-committee of The Sustainable Development Commission Limited).
The Trustees of the National Heritage Memorial Fund.
The United Kingdom Sports Council.

Entries repealed

7. The following entries are omitted—

The British Board of Agrément.
The British Steel Corporation.
The Cable Authority.
The Citizen's Charter Advisory Panel.
The Commission for Health Improvement.
The Commission for Local Authority Accounts in Scotland.
The Criminal Injuries Compensation Board.
The Crofters Commission.
The Crown Agents Holding and Realisation Board.
A Development Council established under the Industrial Organisation and Development Act 1947.
The East of Scotland Water Authority.
The English Industrial Estates Corporation.
The Football Licensing Authority.
The Independent Broadcasting Authority.
The Industrial Development Board for Northern Ireland.
The Intervention Board for Agricultural Produce and every committee of the Board performing functions of the Board.
The Local Government Staff Commission (England).
London Regional Transport.
A Meat Hygiene Appeals Tribunal constituted under regulation 15 of the Poultry Meat (Hygiene) Regulations 1976, regulation 15 of the Poultry Meat (Hygiene) (Scotland) Regulations 1976, or regulation 6 of the Fresh Meat (Hygiene and Inspection) Regulations 1992.
The entry relating to a Medical Practices Committee.
A National Broadcasting Council.
The North of Scotland Water Authority.
The Northern Ireland Economic Council.
The Scottish Conveyancing and Executry Services Board.
Scottish Homes.
The Scottish Transport Group.
The Staff Commission for Wales (Comisiwn Staff Cymru).
The United Kingdom Ecolabelling Board.
The Wales Centre for Health.
The West of Scotland Water Authority.

8. In the entry beginning 'A Joint Planning Inquiry Commission', for '1972' there is substituted '1997'.

9. For the entry 'A Mental Health Review Tribunal constituted or having effect as if constituted under the Mental Health Act 1983' there is substituted 'The Mental Health Review Tribunal for Wales'.

PART 3 OF SCHEDULE 1 (OTHER DISQUALIFYING OFFICES)

Additional entries

10. The following entries are inserted at the appropriate places—

Assembly Ombudsman for Northern Ireland.
Assessor appointed for the purposes of paragraph 9 of schedule 1 to the Public Appointments and Public Bodies etc (Scotland) Act 2003.
Auditor General for Scotland.
Chair of the Northern Ireland Library Authority.
Chair or any member, not also being an employee, of the Patient Client Council established under section 16 of the Health and Social Care (Reform) Act (Northern Ireland) 2009.
Chair or any member, not also being an employee, of the Regional Agency for Public Health and Social Well-being established under section 12 of the Health and Social Care (Reform) Act (Northern Ireland) 2009.
Chair or any member, not also being an employee, of the Regional Business Services Organisation established under section 14 of the Health and Social Care (Reform) Act (Northern Ireland) 2009.
Chair or any member, not also being an employee, of the Regional Health and Social Care Board established under section 7 of the Health and Social Care (Reform) Act (Northern Ireland) 2009.
Chair of the School Food Trust.
Chair or Chief Executive of the Science and Technology Facilities Council.
Chair, Deputy Chair or Chief Executive of the Technology Strategy Board.
Chairman or deputy chairman of the Agri-Food and Biosciences Institute.
Chairman, vice-chairman or ordinary member of the BBC Trust.
Chairman, or director appointed by the Secretary of State, of CDC Group p.l.c. (formerly the Commonwealth Development Corporation).
Chairman of the Committee on Standards in Public Life.
Chairman of the Crofters Commission.
Chairman of the Fire and Rescue Service Board.
Chairman of the Football Licensing Authority.
Chairman or other member of the Independent Regulator of NHS Foundation Trusts.
Chairman of Learning and Teaching Scotland.
Chairman of the Museums, Libraries and Archives Council.
Chairman or other non-executive director of an NHS foundation trust.
Chairman of the Northern Ireland Screen Commission.
Chairman of a probation trust.
Chairman of Quality Meat Scotland.
Chairman of the Scottish Arts Council.
Chairman or Chief Executive of the Student Loans Company Limited.
Chairman or Chief Executive of the UK Commission for Employment and Skills or a Director or Commissioner of that Commission appointed by the First Minister in Scotland, the First Minister for Wales or a Northern Ireland Minister.
Chief Executive of The Sustainable Development Commission Limited or a Director appointed by the members of that company or by the Secretary of State, the First Minister in Scotland, the First Minister for Wales or the First Minister and deputy First Minister in Northern Ireland.
Chief Inspector of the UK Border Agency.
Chief Investigating Officer appointed under section 9 of the Ethical Standards in Public Life etc. (Scotland) Act 2000.
Children's Commissioner for Wales.
Commissioner for Children and Young People for Northern Ireland.
Commissioner for Older People in Wales.
Commissioner for Victims and Witnesses.
Convener or member of the Scottish Commission for the Regulation of Care.
Coroner, deputy coroner or assistant deputy coroner appointed under the Coroners Act 1988.
Coroner or deputy coroner appointed under section 2(1) of the Coroners Act (Northern Ireland) 1959.
Coroner of the Queen's household.
Director of BRB (Residuary) Limited.
Director of Caledonian Maritime Assets Limited.
Director of David MacBrayne Limited.
Director in receipt of remuneration of High Speed Two (HS2) Limited.
Director of Highlands and Islands Airports Limited.
Director of Middletown Centre for Autism (Holdings) Limited or of Middletown Centre for Autism Limited.
Director of Northern Ireland Water Limited.
Director of Partnerships for Schools Limited.
Director of the Pensions Advisory Service Limited.

Director of Scottish Futures Trust Limited.
Director of Service Prosecutions.
Director of The Skills Development Scotland Co. Limited.
Director of Strategic Investment Board Limited.
Director of UK Film Council.
Director in receipt of remuneration of UK Financial Investments Limited.
Director of United Kingdom Anti-Doping Limited appointed by the members of the company.
Director General or Deputy Director General of the Scottish Crime and Drug Enforcement Agency.
Her Majesty's Chief Inspector of Prisons for England and Wales.
Her Majesty's Chief Inspector of Probation for England and Wales.
The Independent Case Examiner for the Department for Work and Pensions.
Member of Audit Scotland appointed under section 10(2)(c) of the Public Finance and Accountability (Scotland) Act 2000 or member of the staff of Audit Scotland.
Member of the staff of the Children's Commissioner for Wales.
Member of the staff of the Commissioner for Older People in Wales.
Member of the panel of persons available to serve as chairmen of the Care Tribunal in Northern Ireland.
Member of a panel of persons appointed under Article 7 of the Social Security (Northern Ireland) Order 1998 to act as members of appeal tribunals.
Member, not being also a Forestry Commissioner or officer of the Forestry Commissioners, of a committee appointed for England, Scotland or Wales under section 2(3) of the Forestry Act 1967.
National Assembly for Wales Commissioner for Standards.
Ordinary member of BBC Audience Council England, BBC Audience Council Northern Ireland, BBC Audience Council Scotland or BBC Audience Council Wales.
President of the Additional Support Needs Tribunal for Scotland.
President or member of the Mental Health Tribunal for Scotland.
President of appeal tribunals appointed under Article 6 of the Social Security (Northern Ireland) Order 1998.
President, or member of a panel of persons appointed to act as chairman or other members, of the Special Educational Needs and Disability Tribunal for Northern Ireland.
Prisoner Ombudsman for Northern Ireland.
Prisons and Probation Ombudsman for England and Wales.
A regional returning officer for the purposes of the Scotland Act 1998.
The reviewer appointed under section 40 of the Justice and Security (Northern Ireland) Act 2007.
Scottish Information Commissioner.
Scottish Parliamentary Standards Commissioner.
Scottish Road Works Commissioner.
Service Complaints Commissioner.
Trustee of the Independent Living Fund (2006).

Entries repealed

11. The following entries are omitted—

Adjudicating medical practitioner or specially qualified adjudicating medical practitioner appointed under or by virtue of Part II of the Social Security Administration (Northern Ireland) Act 1992.
Chairman of the Advisory Board for the Research Councils.
Chairman of the British Overseas Trade Board.
Full-time Chairman of Child Support Appeal Tribunals for Northern Ireland.
Chairman or any member, not also being an employee, of a committee constituted under section 91 of the Mental Health (Scotland) Act 1984.
Chairman of the Consumer Committee for Electricity appointed under Article 7 of the Electricity (Northern Ireland) Order 1992.
Chairman or Chief Executive of the Council for the Central Laboratory of the Research Councils.
Chairman or Vice-Chairman of the English Sports Council.
Chairman of Enterprise Ulster.
Chairman of the Fire Authority for Northern Ireland.
Chairman or any director of the Further Education Development Agency.
Chairman or any member, not being also an employee, of a Health and Social Services Board established under Article 16 of the Health and Personal Social Services (Northern Ireland) Order 1972.
Chairman or any member, not being also an employee, of the Health Education Board for Scotland.
Chairman or Deputy Chairman of the Laganside Corporation.
Chairman of the Mental Health Commission for Northern Ireland.
Chairman of the National Research Development Corporation.
Chairman of the Northern Ireland Central Services Agency for the Health and Social Services.
Chairman, Deputy Chairman or Chief Executive of the Particle Physics and Astronomy Research Council.
Chairman of the Public Health Laboratory Service Board.
Chairman of the Rural Development Council for Northern Ireland.
A full-time chairman of Social Security Appeal Tribunals, Medical Appeal Tribunals and Disability Appeal Tribunals for Northern Ireland.
Chairman of the Standing Advisory Commission on Human Rights constituted under section 20 of the Northern Ireland Constitution Act 1973.
Chairman or any member, not also being an employee, of the State Hospitals Board for Scotland.
Chairman of the Training, Enterprise and Education Advisory Group for Wales.
Chairman of the United Kingdom Sports Council.
Chairman of the Wine Standards Board of the Company of the master, wardens and commonalty of Vintners of the City of London.
Chief Adjudication Officer appointed for Northern Ireland under section 37 of the Social Security Administration (Northern Ireland) Act 1992.
Chief Child Support Officer appointed under Article 15(3) of the Child Support (Northern Ireland) Order 1991.
Chief Scientist of the Scottish Home and Health Department.
Commissioner appointed under section 67(1) of the Police (Northern Ireland) Act 2000.
Director of Caledonian MacBrayne Limited.
Director of the Commonwealth Development Corporation nominated or appointed by the Secretary of State.
Director General of Electricity Supply for Northern Ireland.
Director General of Gas for Northern Ireland.
Director General of the National Economic Development Office.
Governor of the British Broadcasting Corporation.
Independent Assessor of Military Complaints Procedures in Northern Ireland.
Independent Commissioner, or Deputy Commissioner,

for the Holding Centres in Northern Ireland.

Managing director of the National Research Development Corporation.

Medical Officer for Complaints appointed for Wales by the Secretary of State.

Member of a panel of chairmen for Child Support Appeal Tribunals for Northern Ireland appointed under paragraph 3(2)(a) of Schedule 3 to the Child Support (Northern Ireland) Order 1991.

Any member of the Education Transfer Council in receipt of remuneration.

Any member of the Further Education Funding Council for Wales in receipt of remuneration.

Any member, in receipt of remuneration, of a housing action trust (within the meaning of Part III of the Housing Act 1988).

Member of the Board of the Industrial Research and Technology Unit in Northern Ireland.

Member of the Local Enterprise Development Unit.

Member of a Medical Appeal Tribunal for Northern Ireland appointed under section 48(2) of the Social Security Administration (Northern Ireland) Act 1992.

Member of the legal panel of persons available to act as chairmen of Registered Homes Tribunals.

Member of the legal panel of persons available to act as chairmen of Registered Homes Tribunals in Northern Ireland.

Any member of the Residuary Body for Wales (Corff Gweddilliol Cymru) in receipt of remuneration.

Member, in receipt of remuneration, of the School Teachers' Review Body.

Any member of the Schools Funding Council for Wales in receipt of remuneration.

Any member of the Scottish Further and Higher Education Funding Council in receipt of remuneration.

Any member of the Scottish Further Education Funding Council in receipt of remuneration.

Any member of the Scottish Higher Education Funding Council in receipt of remuneration.

Member of the panel of chairmen for Social Security Appeal Tribunals, Medical Appeal Tribunals and Disability Appeal Tribunals for Northern Ireland appointed under section 49(1)(c) of the Social Security Administration (Northern Ireland) Act 1992.

Member of a panel of persons appointed under Schedule 5 to the Rent (Northern Ireland) Order 1978 to act as chairmen and other members of rent assessment committees.

Northern Ireland Commissioner for Protection Against Unlawful Industrial Action.

Northern Ireland Commissioner for the Rights of Trade Union Members.

Northern Ireland Parliamentary Commissioner for Administration.

President of Social Security Appeal Tribunals, Medical Appeal Tribunals and Disability Appeal Tribunals for Northern Ireland.

Rent officer or deputy rent officer nominated under Schedule 5 to the Rent (Northern Ireland) Order 1978.

Scottish legal services ombudsman appointed under section 34 of the Law Reform (Miscellaneous Provisions) (Scotland) Act 1990.

Traffic Director for London.

The Water Industry Commissioner for Scotland.

Entries amended

12. For the entry 'Adjudicator for the Inland Revenue, Customs and Excise and the Contributions Agency' there is substituted 'Adjudicator appointed by the Commissioners for Her Majesty's Revenue and Customs'.

13. In the entry 'Chairman or Medical Director of the Advisory Committee on Distinction Awards', for 'Distinction' there is substituted 'Clinical Excellence'.

14. In the entry 'Chairman of the Distinction and Meritorious Service Awards Committee for Northern Ireland', for 'Distinction and Meritorious Service Awards Committee for Northern Ireland' there is substituted 'Northern Ireland Clinical Excellence Awards Committee'.

15. For the entry 'Chairman, or member in receipt of remuneration, of the Big Lottery Fund' there is substituted 'Member of the Big Lottery Fund or of a committee established by the Fund under paragraph 7 of Schedule 4A to the National Lottery Act 1993'.

16. In the entry beginning 'Chairman or non-executive director of a Health and Social Services trust', for 'Social Services trust' there is substituted 'Social Care trust'.

17. In the entry 'Chairman or any member, not also being an employee, of a Health Board constituted under the National Health Service (Scotland) Act 1978', after 'Health Board' there is inserted 'or a Special Health Board'.

18. In the entry beginning 'Chairman or non-executive member of a National Health Service trust', for the words from 'the National Health Service (Wales)' to the end substitute 'or the National Health Service (Wales) Act 2006'.

19. In the entry 'Chairman or Vice-Chairman of the Scottish Sports Council', the words 'or Vice-Chairman' are omitted.

20. In the entry beginning 'Chairman of a special health and social services agency', for 'services agency' there is substituted 'care agency'.

21. In the entry 'Chief executive of the Simpler Trade Procedures Board', for 'the Simpler Trade Procedures Board' there is substituted 'SITPRO Limited'.

22. In the entry 'Director of British Nuclear Fuels p.l.c.', for 'p.l.c.' there is substituted 'Limited'.

23. In the entry beginning 'Director of any company in receipt of financial assistance', the words 'the Local Employment Act 1972, Part II of the Industry Act 1972 or' are omitted.

24. In the entry 'Director of a company-

(a) which, within the meaning of Part II of the Railways Act 1993, is a successor company wholly owned by the Crown, or

(b) which, within the meaning of that Act, is wholly owned by the Director of Passenger Rail Franchising, being a director nominated or appointed by a Minister of the Crown, the Director of Passenger Rail Franchising or any other person acting on behalf of the Crown.',

paragraph (b) is omitted (together with the word 'or' preceding it).

25. In the entry beginning 'The Governor or Administrator', for 'dependent' there is substituted 'overseas'.

26. In the entry beginning 'Governor, Medical Officer or other officer', the words ', Medical Officer' are omitted.

27. For the entry 'Her Majesty's Chief Inspector of Schools in Wales' there is substituted 'Her Majesty's Chief Inspector of Education and Training in Wales or Prif Arolygydd Ei Mawrhydi dros Addysg a Hyfforddiant yng Nghymru'.

28. In the entry 'Member of the Rail Passengers' Council in receipt of remuneration', the word 'Rail' is omitted.

29. In the entry beginning 'Member of the panel of persons appointed under Schedule 4 of the Rent (Scotland) Act 1984', for 'Member' there is substituted 'President or vice-president'.

30. In the entry 'Member appointed by the Secretary of State of the Scottish Agricultural Wages Board', for 'Secretary of State' there is substituted 'Scottish Ministers'.

31. In the entry 'Registration Officer appointed under section 8(2) or (3) of the Representation of the People Act 1983', after '8(2)' there is inserted ', (2A)'.

32. Any entry in Part 3 which is amended by this Order shall (if necessary) be moved to the appropriate place.

The motion tabled in my name and that of the Minister for the Cabinet Office and for the Olympics, and Paymaster General, my right hon. Friend the Member for Dulwich and West Norwood (Tessa Jowell) relates to proposed amendments to schedule 1 to the House of Commons Disqualification Act 1975. Certain office holders have been disqualified from becoming Members of Parliament since the early 17th century. However, details of those disqualifications were contained in a number of different Acts. There were also concerns during the 1940s about special wartime appointments of Members of Parliament, and so a Select Committee was created to consider the issue of disqualification. However, it was not until 1955 that a Bill was brought before the House to list in one place all the office holders who were disqualified. The Bill was enacted in 1957. The disqualification Act was re-enacted in 1975 and it is the Act to which I refer today.

The House of Commons Disqualification Act disqualifies members of the civil service, the police and armed forces and Members of foreign legislatures from becoming Members of Parliament. Schedule 1 lists those offices whose holders are also disqualified from membership of the House. The motion seeks the approval of the House to various amendments proposed to the list of offices in schedule 1 that disqualify the holder from membership of this House. If the House resolves that the amendment should be made, the procedure under the Act is for an Order in Council to be made to implement the resolution under powers contained in section 5(1) of the Act. That procedure has been followed on a number of occasions since the House of Commons Disqualification Act 1957 received Royal Assent—the first in 1961 and the last in February 1997.

It is common practice for legislation that establishes new offices or that winds up existing ones to amend schedule 1 accordingly. That is often done during the passage of a Bill—for example, the Parliamentary Standards Act 2009—and is occasionally done in ordinary secondary legislation. There have also been Orders in Council that make amendments to the lists of disqualifying offices using the procedure under section 5 of the Act to bring schedule 1 up to date. Some of the amendments made under section 5 will relate to the consequences of legislation, but others are needed to reflect changes to non-statutory bodies and offices or to clarify the text of schedule 1. Because schedule 1 is continually being amended, the 1975 Act is reprinted from time to time in accordance with the requirements of section 5(2) of the Act to incorporate such amendments. The last reprint was issued in March 1997, and it is expected that a further reprint will be produced if the House agrees to the amendments that are proposed today.

The amendments will do several things. Some will add offices that have been created by administrative action or by statute. Some will amend or correct existing entries, and others will remove offices that no longer exist or that are no longer thought to be appropriate for statutory disqualification. Hon. Members will appreciate the complexity of the motion before us. Indeed, this is the longest motion on which I have ever spoken. That is why copies of the explanatory note that describes the amendment entries in detail has been available in the Vote Office since 4 February.

Ministers and their individual Departments have been responsible for the detail of additional entries and deletions that cover offices within their areas of responsibility. Judgments have been based on the same general principles and criteria that have been followed in the past, which are set out in the explanatory note. The only difference in criteria since 1997 is a proposal to change the de minimis level, which is the specified level below which paid offices in the gifts of the Crown or of Ministers do not normally attract disqualification. We propose that the level should rise from £8,000 to £10,000. Of course, the de minimis level has no effect on the level of remuneration that is received by office holders. Its purpose is merely to prevent disqualification at lower levels of payment.

Mr. Greg Knight (East Yorkshire) (Con): I quite understand why the Government wish to raise the de minimis threshold, but if they want to raise it again in the future, will the matter have to come before the House, or are there delegated powers for Ministers to increase the amount to keep in line with inflation, for example?

Barbara Keeley: That is a good point. I shall check that, but I believe that the amount is revised only when we follow the procedure that we are going through today, so I think that these things are considered in the round. Depending on what happens to inflation in the years to come, we might want to agree to consider it from time to time. I have just been looking for an entry that was revised in relation to this particular change. One of the revisions deletes the Football Licensing Authority because, in terms of the level of remuneration, only the chairman needs to be disqualified. With the new de minimis level, other office holders are paid less than that level. If the amendments are made, the chairman will continue to be disqualified, but other members of the authority will not, so that is one example.

Of the 230 amendments that are covered, 109 are new entries, 96 are deletions and 25 are amendments to existing entries.

Schedule 1 to the 1975 Act does not cover disqualification from the House of Commons due to mental health illnesses, but I am aware that that has quite frequently been the subject of debate in the House recently. The Mental Health Act 1983 provides, under section 141, that a Member's seat will become vacant if they are sectioned for longer than six months. The Government agree that there should be no distinction between mental and physical illness in that respect. We also agree with the recent recommendation from the Speaker's Conference that that disqualification should be repealed as soon as is practicable. This issue will therefore be discussed by a Select Committee of the House as soon as possible.

Today's debate follows an established procedure and I commend the motion to the House.

4.19 pm

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): As we have heard, the motion updates the House of Commons Disqualification Act 1975, and we on this side of the House welcome it.

The 1975 Act basically clarifies who can stand for Parliament and who cannot. The proposed amendments are due mainly to the creation of new bodies and the renaming or merging of others, and to the scrapping of some offices and organisations. It is mainly a tidying-up exercise, but it is a considerable one and that is a

[Mr. Shailesh Vara]

reflection on the massive growth in the quango culture that has grown up since 1997. Given that there is a £10,000 de minimis threshold for some posts, it is very revealing to see the huge number of office holders who earn more than that per year—in many cases, a whole lot more.

There are about 230 amendments to schedule 1 to the 1975 Act. Although they do not affect the existing disqualification from the Commons of members of the civil service, armed forces, police and judiciary, they extend that disqualification to some 2,100 new office holders. The 400 or so coroners are now included, and disqualification will also cover office holders in bodies such as the Care Council for Wales, the Accounts Commission for Scotland, and the NHS Pay Review Body.

At the same time, the motion excludes members of about 500 other organisations that have been replaced or wound up. They include the Citizen's Charter Advisory Panel, which was wound up in 1997, the Cable Authority, which was dissolved in 1998, and the United Kingdom Ecolabelling Board, which was wound up in 1999 and had its functions taken over by the Food Standards Agency.

It is fair to say that this legislation is long overdue, as is clear from the dates that I have mentioned. Given that some of the posts have been out of date for a number of years, thought should perhaps have been given to updating the list a little earlier.

Incidentally, the House will be aware of the Conservative pledge to get rid of a large number of quangos if we are successful at the next general election. In that event, I can assure the House that there will be a rapid revision of this particular legislation to take account of the far fewer quangos that will exist after the election.

Mr. Greg Knight: On that point, does my hon. Friend agree that there is a case for going further than we are going today, and disqualifying all these people from being Members of the House of Lords?

Mr. Vara: My right hon. Friend makes a valid and serious point that will need to be considered. I very hope much that it will be, in due course.

It is also noteworthy that some of the additions to the list of excluded people are a consequence of the failure of previous legislation to make it clear that certain posts were properly covered by the disqualification provisions. For example, the Commissioner for Older People in Wales has been added to the list because an order under the Commissioner for Older People (Wales) Act 2006 was judged to be "ineffective". In like manner, the chairmen or other non-executive directors of NHS foundation trusts are being added to the list because an order relating to the Health and Social Care (Community Health and Standards) Act 2003 was thought to be "legally ineffective".

Of course it is good that these failings have been identified and are now being put right, but the House will note that they are a reflection on a Government who sought to bring in massive and huge amounts of legislation, rather than concentrating on the quality of that legislation. That being said, we on this side of the House support the motion.

4.23 pm

Mr. David Heath (Somerton and Frome) (LD): I also have no problem supporting the motion. It is a sensible bit of housekeeping that we have to do every now and again to bring schedule 1 of the 1975 Act up to date.

It is unfortunate that the schedule is out of date almost before it is printed. I had some informal discussions with the Minister only a few days ago about the position of members of the board of the Independent Parliamentary Standards Authority. They are in fact disqualified by statute, but they will not be on this list because we have not yet concluded the relevant legislation. The moment that that particular enactment receives Royal Assent, the schedule in its consolidated form will be out of date and we will have to make a new amendment to it.

In this world of IT, can we not find a better process of maintaining an up-to-date register of all those who are disqualified by enactment, instead of the list periodically coming back to the House and being reprinted on vellum?

Mr. Vara: I believe that the legislation concerning IPSA specifically exempts members of IPSA, so there will not be a need to update the schedule in that respect. Furthermore, as I mentioned in my speech, one of the reasons that some people are added to the list is that the legislation that allows for them to be disqualified is judged to be ineffective because of its wording, rather than for any other reason. It is not always necessary for the schedule to be amended.

Mr. Heath: The schedule represents the consolidation of the list, which includes those who have been exempted in statute. Updating it is a necessary process, but there must be a better way of doing it.

The hon. Gentleman is right to point out the huge number of quangos that exist. I take with a pinch of salt his assertion that any future Conservative Government would massively reduce the number of quangos. We remember previous Conservative Governments, who did not do it, and we remember when the Labour Government came to power in 1997 promising the bonfire of the quangos, but they did not do it, either. The public have good reason for taking with a pinch of salt any assertion that such a programme would be carried through by any future Administration.

We all take the view that there are far too many people who are members of such bodies and carry out strategic and executive functions with no accountability to the local electorate. I would be much happier if there were a democratisation rather than the abolition of many of the organisations listed in the schedule.

I want to raise one small issue with the Minister, although I do not expect her to know the answer. While perusing the 1975 Act, I noted that it is regularly reprinted, so we are not talking about an out-of-date version. Clause 1, as she mentioned, refers to disqualification on the basis of being a member of the regular armed forces. I note that there is still a reference to the Ulster Defence Regiment. That would have been a live consideration in 1975.

The regiment was formed in about 1970 and performed sterling service in Northern Ireland over many years, but it no longer exists as a separate body. It has been absorbed into the Royal Irish Regiment. I can see why it

might have been appropriate for the Ulster Defence Regiment, as a territorial force, which it always was, to be disqualified back in 1975. I am not sure whether that still applies. Will the Minister consult the Ministry of Defence and the Northern Ireland Office to see whether the reference ought to be amended in the light of present circumstances? I do not know the answer. It seems to be an anomaly.

The consolidated schedule is helpful in one respect. Members of the bodies listed know that they hold disqualified posts. Perhaps things have changed, and perhaps the Minister can reassure me, but in my experience there is very little information on what people should do about that if they intend to stand for election. I say that because in 1997 I was a member of the Audit Commission. As the Audit Commission is one of the proscribed organisations, that meant that I was disqualified from the House of Commons. I sought advice at that time from the Audit Commission and from others about exactly what I had to do to make sure that I was not inadvertently disqualified from being elected to membership of the House. I found it difficult to work out. Did I have to resign before nominations were opened; before the dissolution of the House; before nominations were closed; before the day of the election; or before the day that I was sworn in as a Member? Was I bound by the notice that I was required to give? If there were a sudden election and I handed in my notice as a member of the organisation, would I be able to resign with immediate effect? If I could not and the election were held three weeks after the day on which I handed in my resignation, would I be disqualified from standing?

Those are real issues for people in that position, and it would be helpful if the Government provided clear information to all the bodies listed. They could then distribute advice simply and easily to their members, chairmen or whoever the listed post holder might be, saying, "No, to comply with the disqualification Act you must tender your resignation with immediate effect on this date relative to the date of the election," or whatever the appropriate advice might be.

Mr. Greg Knight: The hon. Gentleman makes an interesting point, but would it not be better to supply the information to a single point of contact, such as the returning officer at the relevant local authority, rather than circulate it among quangos, where it might be lost or, at least, unavailable when needed?

Mr. Heath: Ideally, the information would go to both bodies, because the candidate deals with the bureaucracy of the body of which they are a member and the returning officer. They clear with the returning officer what they have to do as a candidate, but at the same time they clear with the particular body's personnel department—the human resources department or whatever it is called nowadays—what they have to do to disengage themselves within the appropriate time scale from their duties. In some bodies, a person's resignation has to be considered at the next meeting, leaving them in legal limbo unless they can persuade the organisation to hold an emergency meeting in order to accept their resignation.

That is not a huge point, and I do not want to labour it, but from my experience it ought to be sorted out. Happily, I sorted out my situation with the Audit Commission. I resigned at the appropriate time, and when I took my seat there was never any question that I was still a member of a body representing an office of profit under the Crown. The problem did not apply to me, but I was beset by doubt, which I should like extinguished for people in future.

Having said that, I see on the list no entries that are clearly wrong or any glaringly obvious omissions. The explanatory note is quite the longest that I, like the Minister, have ever seen, but sometimes a lot of information is a good thing, and the note answered any questions that we might have had. I am grateful for that, and I have no difficulty in supporting the motion.

4.33 pm

Mr. Christopher Chope (Christchurch) (Con): I agree with the hon. Member for Somerton and Frome (Mr. Heath) that the explanatory note is, indeed, very useful, and I am delighted that my hon. Friend the Member for North-West Cambridgeshire (Mr. Vara), on the Front Bench, says that if there is an incoming Conservative Government later this spring there will be a substantial cull of quangos. I cannot think of a better starting point than the consolidated list, which the Minister says will be drawn up as a result of this debate. It will be a convenient point of reference for all those quangos, and I hope that sooner rather than later we will have circulated a list of those that are going to be culled.

The hon. Member for Somerton and Frome makes a fair point that Conservative Governments have not always made a great success of maintaining a cull of quangos. Often, new quangos have come on to the scene. I remember the Matt cartoon that followed the establishment of the citizen's charter and the Citizen's Charter Advisory Panel. There are two people in bed, and the husband turns to the wife and says, "Darling, I can't sleep—I'm so excited about the citizen's charter!" The demise of the Citizen's Charter Advisory Panel is undoubtedly a good thing, and I hope that an incoming Conservative Government will not make similar mistakes in building up the quangocracy.

This is a serious issue, because it shows that the number of people who are disqualified from standing for Parliament is increasing all the time. Those people represent the Executive—the state—and those of us in this legislature who wish for a smaller state would like to see a substantially reduced number of people who are disqualified from being able to stand for Parliament, because that would show that the legislature was going to get larger relative to the number of people in the Executive.

Mr. Heath: I suspect that the hon. Gentleman might agree that for every quango there should be a regular test of continuing usefulness. That should also apply to international organisations, which often get set up and are then maintained by their own status rather than because of any continuing usefulness. When I was elected leader of Somerset county council in 1985, I found that we still had a light horse committee charged with ensuring that there were enough light horses in Somerset to maintain the yeomanry in the first world war. I abolished that, and I think it was wise to do so.

Mr. Chope: The hon. Gentleman makes a good point. Looking through the explanatory notes at the list of quangos that have been set up relatively recently, one is

[Mr. Chope]

bound to wonder, in several cases, whether they retain a justification to this day. I hope that some of those will be the subject of the cull that my hon. Friend the Member for North-West Cambridgeshire is promising.

All these quangos represent a larger state than we would wish, as well as a lot of additional taxpayers' money. I am grateful to the Government for enabling us to see the extent to which the quangocracy has grown under this Government, at a time when, contrary to what is sometimes said, the civil service has also been increasing. For a time, the quangocracy increased as a lot of civil servants were hived off into agencies. We have seen an increase in agencies and a hiving off of civil servants, but also an overall growth in the size of the civil service and, therefore, in the size of the state. That is unsustainable in the current economic circumstances and, in any event, a bad thing for our country because it starves the private sector of resources and thereby damages our competitiveness and economic viability as a nation.

I will not say any more. Although it disappoints me not to have the opportunity to divide the House, I do not see that there is any scope for doing so on this particular matter.

4.38 pm

Barbara Keeley: It is important to emphasise that the 1975 Act is concerned with maintaining the independence of this House and safeguarding hon. Members from undue influence by the Executive through the exercise of patronage. That is an honourable aim. There may be some difficulties involved in keeping the list up to date, but it is well worth while to do so. This is clearly something that took some decades to come about. I take on board the point made by the hon. Member for North-West Cambridgeshire (Mr. Vara). The House could look to update this more frequently.

It is fair to say that there were some surprises for all of us who read the explanatory notes, although the hon. Member for Somerton and Frome (Mr. Heath) knew about this from his previous experience when standing as a parliamentary candidate. It behoves everyone involved with elections, from returning officers in local authorities to those in political parties, to make it clear to people that they should check the position because all parliamentary candidates have to sign up to this. There appears to be a time lapse in the case of some bodies whereby people may not know that the office that they are holding is one that makes them open to disqualification—for example, surprisingly, the chair and board members of NHS foundation trusts. When somebody holding an office in the gift of the Crown, or perhaps on a lottery body that is dispensing Government funding, is a parliamentary candidate for some time, there is a question whether the political stances that they might take will clash with their employment.

This has not been mentioned in the debate, but of course modern methods are used. The list is kept on websites, both commercial and official, so the information is updated regularly for people who need it.

As I have been tempted in this direction, I shall make a correction to the suggestion that the number of quangos has risen. The latest Cabinet Office report, "Public Bodies 2009", shows that the number of non-departmental public bodies has fallen by more than 10 per cent. The Government have also set out proposals in the "Smarter Government" White Paper to further reform and rationalise the arm's length sector.

Mr. Chope: The Minister says that the number has fallen, but since when?

Barbara Keeley: We are not meant to be debating quangos per se, but—

Mr. Peter Bone (Wellingborough) (Con): You brought it up.

Barbara Keeley: Well, I did not actually bring up the number of quangos.

There has been a suggestion that there are too many board members of quangos, or that they are too well paid. There is an annual Cabinet Office report on public bodies, which shows that there were 38,000 people on the boards of public bodies in 1997, which has now fallen to about 12,000. There are fewer posts, and many of them are not highly paid. In fact, some are unpaid. We announced proposals in the pre-Budget report to further control public sector pay, and such posts are part of that exercise.

I have made the point that the information is kept on websites, but perhaps we can tie those websites into this process and make them clearer. I take the point that the hon. Member for Somerton and Frome about the Ulster Defence Regiment. The motion is to update the schedule to the 1975 Act, rather than the Act itself, but I imagine that it will have to be tidied up at some point. However, we do not have to be concerned about posts that disappear, because people cannot be in them to be disqualified from being in the House of Commons. This exercise is really just to tidy up the list, but if there are any anomalies we will need to take a view on when the Act needs to be updated. I shall certainly do that.

The process of considering when an office holder has to resign should be clear. I understand that the Cabinet Office gives guidance to candidates at the point of their potential resignation because of disqualification.

Another point that we have not touched on is that parliamentary candidates may not be successful, after which they can be reconsidered. For candidates who were members of NHS trusts, in the civil service or office holders in any of the relevant posts, there is guidance on how they can be taken back into their post. I understand that the only problem would be if a parliamentary candidate had been so controversial and had taken such positions that they were no longer considered fit for office, but that is a very small consideration.

Mr. Heath *rose—*

Barbara Keeley: I give way to the hon. Gentleman.—*[Interruption.]*

Mr. Heath: I am sorry about the noises off, because I actually think that this is quite an interesting point. I am not sure whether people are aware that it is possible for someone to be reappointed after a period. I am interested in whether that would go through without the normal requirements for re-advertisement and selection,

and whether posts can be held in abeyance and then filled by Executive order. Will the hon. Lady write to me at some point with information about that?

Barbara Keeley: I am certainly happy to let the hon. Gentleman and the hon. Member for North-West Cambridgeshire have the guidance that the Cabinet Office uses. Interestingly, one of my concerns has been that I can foresee people being caught in a situation of not having a great prospect of success and wanting to get back to their posts afterwards. Both in the civil service and in the posts that we are considering, people can be reconsidered to be taken back after the election if they have not been successful. I will check what the guidance is and let the Opposition spokesmen have it.

We have had a useful look at the list today, and updating and tidying up the schedule is important. It is important also to say that the process is ongoing; we recently had the Parliamentary Standards Act 2009, which updated the schedule. As Members have said, it is important that the list of office holders disqualified from standing as Members of this House is as up-to-date as possible before the forthcoming general election. If the House agrees to the motion, a reprint of the 1975 Act will help provide a more accurate picture. I commend the motion to the House.

Question put and agreed to.

Crime and Security Bill

4.45 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Gerry Sutcliffe): I beg to move,

That it be an instruction to the Crime and Security Bill Committee that it has power to make provision in the Bill to enable restrictions to be placed on the hours during which alcohol may be sold or supplied.

With the leave of the House, the Under-Secretary of State for the Home Department, my hon. Friend the Member for Tynemouth (Mr. Campbell), will respond to points raised in, and close, the debate. I do not intend to outline the purpose and effect of the proposed new clause in detail, because this debate focuses on the motion before us. Members will have the opportunity to debate the measure fully in the Bill's remaining stages. However, it may help hon. Members if I set out the Government's reasons for the change.

The Licensing Act 2003 saw the biggest reform in licensing law for more than 40 years. It impacted on around 200,000 businesses.

Mr. Simon Burns (West Chelmsford) (Con): The Minister, in leading for the Government on this motion, rightly said that members of the Public Bill Committee can discuss the contents of any amendments and new clauses. However, given that the Department for Culture, Media and Sport is the lead Department in this area of the Bill, will we have the pleasure of his company in Committee and him leading for the Government?

Mr. Sutcliffe: I assume that I will do so in the remaining stages of the Bill, and I hope that my presence in the House will be welcomed by all right hon. and hon. Members. Clearly, my hon. Friend and other Home Office Ministers are leading on the Bill and are taking it through Committee, as the hon. Gentleman well knows.

I was talking about the impact of the 2003 Act on the people of the country. It affected 200,000 businesses, non-profit making clubs, charities, and community and voluntary groups, and almost the entire population of England and Wales who live in the vicinity of, or who visit, licensed premises. I believe that the Act has been a considerable success in many areas. We have seen effective action taken by local authorities and the police, working in partnership, to contain problems.

Keith Vaz (Leicester, East) (Lab): I welcome the proposal. Has the Minister had an opportunity to read the Select Committee on Home Affairs report, "Policing in the 21st Century", which deals with alcohol-related crime? Does he feel that, as a result of the measure, there will be a reduction in alcohol-related crime?

Madam Deputy Speaker (Sylvia Heal): Order. Rather than the Minister replying to that, I should just say that the right hon. Gentleman's intervention is really not appropriate to today's discussion. I am sure he will have the opportunity to raise that matter with the Minister at a later stage.

Mr. Sutcliffe: Thank you for your guidance, Madam Deputy Speaker, but we obviously appreciate the work of the Home Affairs Committee and look forward to discussion in due course.

Mr. Greg Knight (East Yorkshire) (Con): If the House passes this instruction, it could wholly change the dynamic of the Committee. What power will the Committee have, if the House approves the instruction, to call new witnesses on the sale of alcohol?

Mr. Sutcliffe: I would have to check on that to give the right hon. Gentleman the—

Mr. Burns: Do you not know?

Mr. Sutcliffe: At this moment, I do not have—*[Interruption.]* No. I am a licensing Minister. The sale of alcohol and the licensing of premises is a matter for DCMS, and the other issues affect the whole Government. I appreciate the point made by the right hon. Member for East Yorkshire (Mr. Knight), and I will write to him in due course on the effect of the measure on the Committee. It will not have a massive effect, because the issues will be the same.

We have never been complacent on alcohol issues. On presenting the statutory guidance made under the 2003 Act to Parliament in July 2004, the then Secretary of State for Culture stated in her foreword:

"We will monitor the impact of the 2003 Act on crime and disorder and the other licensing objectives. If necessary in the light of these findings, we will introduce further legislation with the consent of Parliament to strengthen or alter any provisions."

The 2003 Act came fully into force in November 2005 and has now been in force for more than four years. As promised, the Government have kept the impact of the Act under close scrutiny and we are now asking the House to extend the powers that we originally gave to the licensing authorities in the light of our evaluation.

Mr. Christopher Chope (Christchurch) (Con): Can the Minister explain what happened between December 2009 and February 2010 that caused the Government to bring forward this motion to include in the Bill measures that were not thought appropriate to include a few months ago?

Mr. Sutcliffe: The hon. Gentleman considers these issues in great detail, and he will be aware that the problems caused by alcohol are dealt with across government. Different Departments have a viewpoint—

Madam Deputy Speaker: Order. I apologise for interrupting the Minister again. This debate is not on whether the restrictions on the hours during which alcohol may be sold are a good thing or not: it is merely on whether to allow the Public Bill Committee to make such a provision. I hope that that clarifies the matter.

Mr. Sutcliffe: I am grateful for your advice, Madam Deputy Speaker, and I will stick to the matter in hand.

Mr. Chope: On a point of order, Madam Deputy Speaker. I wish to clarify your ruling. Would it be in order for the Minister to address the issue of why these provisions were not included in the Bill back in December, but are being proposed for inclusion now?

Madam Deputy Speaker: That is acceptable, but the debate is not on whether the restrictions are good or bad.

Mr. Sutcliffe: The idea is to try to maximise our support for the police and local authorities in relation to alcohol and crime and disorder. In our view, the powers under the 2003 Act need to be strengthened, given the evaluation that was published in March 2008. We have been trying to find the earliest opportunity to provide that extra support to the police, as I am sure the hon. Member for Christchurch (Mr. Chope) would wish us to do. We need to give maximum support to the police to deal with those small areas where crime and disorder occur.

Keith Vaz: What is baffling the hon. Member for Christchurch (Mr. Chope) and me is why now. Why are we dealing with this issue now, in the middle of the Bill? Why are we debating an instruction at this stage? Has a research note of some kind arrived on my hon. Friend's desk? Why now rather than at the beginning of the Bill?

Mr. Sutcliffe: I am confused that Members appear not to want us bring forward support for the police to the House at the earliest opportunity. The evaluation report contained issues that needed to be looked at, and this is the first opportunity to put forward provisions that will assist the police.

Tom Brake (Carshalton and Wallington) (LD): Can the Minister confirm that it is the police who have requested that the Government bring forward this matter now? He just said that it was.

Mr. Sutcliffe: I did not say that it was the police. I said that the provisions would give powers to support the police and local authorities. The change in the Licensing Act 2003 took powers from the magistrates courts and gave them to local government. The effect of the Act has been to support the work done by the partnership between local government and the police. The Government wish to ensure that we provide what extra support is possible, and it is clear that the hours of 3 am and 6 am are an issue when it comes to alcohol-related crime.

Keith Vaz: On a point of order, Madam Deputy Speaker. Of course, we respect totally what you have said, and if we catch your eye, we will try to stay in order. But the Minister is now advancing reasons as to why this is happening, and therefore exciting hon. Members into wanting to intervene because he is dealing with substance, not process.

Mr. Sutcliffe: I apologise to my right hon. Friend if he feels that I am not dealing with process—

Madam Deputy Speaker: Order. The times in this proposal are not the issue that we should be debating at this point.

Mr. Sutcliffe: I find this rather surprising. There should be broad support for the measure being put into the Bill and the outcome that we are trying to achieve, and we are trying to be as helpful as possible to the House in discussing our intentions.

Mr. Chope: Will the Minister give way?

Mr. Sutcliffe: I will not give way; I want to move forward.

Our intention is to move a new clause in the Bill amending the Licensing Act 2003 by inserting five new sections—sections 172A to 172E. These new sections will extend only to England and Wales.

Mr. Burns: On a point of order, Madam Deputy Speaker. May I seek your advice? The Minister did not answer my earlier point. He is talking—quite eloquently and knowledgeably—about new clauses that will be introduced to a Bill being discussed in Committee upstairs. This input into the Bill comes from the Department for Culture, Media and Sport, and the hon. Gentleman is the responsible Minister, so why is he not to be on the Committee? That would allow hon. Members to hold effective discussions about this matter with the lead Minister. Instead, that will have to be done with a Home Office Minister. This seems to have been cobbled together at the last minute, but it appears that the Government cannot take it to its logical conclusion by having the relevant Minister for this part of the legislation in Committee to be held to account by hon. Members.

Madam Deputy Speaker: I am sorry, but I cannot help the hon. Gentleman. The points that he has raised are not points of order for the Chair.

Mr. Greg Knight: On a point of order, Madam Deputy Speaker. In the light of the argument that the Minister is pursuing, which appears to be that the Government have had a change of heart and want to include provisions on the sale of alcohol in the Bill, would you, Madam Deputy Speaker, allow those of us who might want to include other things in this Bill to submit a manuscript amendment to the instruction before the House?

Madam Deputy Speaker: No, that would not be allowed.

Mr. Sutcliffe: I would like to progress to the substance of what we are trying to achieve.

As I said, there will be five new sections in the Bill—sections 172A to 172E—and they will extend only to England and Wales. The changes to the 2003 Act will provide licensing authorities, almost all of which are local authorities, with a power to ban 24-hour licences—

Mr. Chope: Will the Minister give way?

Mr. Sutcliffe: One last time.

Mr. Chope: I do not want to be drawn into discussing substance, but why was the opportunity not taken to put the new sections in the Bill when it was first printed and presented in December 2009?

Mr. Sutcliffe: This is the first opportunity that we have had to put it before the House since our decision to include it in the Bill. As I have said, we are trying to be helpful in giving the House the opportunity to have a full discussion about the issues.

I was talking about how the changes would provide licensing authorities, almost all of which are local authorities, with a power to ban 24-hour licences in either the whole of their areas or in smaller, more confined parts. However, the new clause would require that such an order may not be made unless certain preconditions are met. The effect of an order would be to restrict sales or supplies of alcohol so that they could not take place between the hours of 3 am and 6 am. Such an order would override the effect of any premises licence, club premises certificate or temporary event notice otherwise authorising sales or supplies at that time of the early morning. It would also override any licence, certificate or temporary event notice regardless of whether it was issued before or after the order was made.

The reason we have chosen to restrict such bans to between 3 am and 6 am relates to the findings of an evaluation, published in March 2008, of the 2003 Act. In particular, the evaluation reported:

"Thus for the—well-measured—category of more serious crimes of violence, there was an increase in the number of offences committed between 3am and 6am that was small in absolute terms - 236 incidents - but large in proportionate terms - 25%"...The peak time for serious violent crime shifted forward by about an hour."

Mr. Peter Bone (Wellingborough) (Con) *rose—*

Mr. Sutcliffe: I want to continue.

By focusing on the period between 3 am and 6 am, our intention is not to restrict unnecessarily—

Madam Deputy Speaker: Order. I apologise again for interrupting the Minister, but we are now getting into the detail. There really is no need at this stage for that amount of detail.

Mr. Sutcliffe: Thank you for your guidance and advice, Madam Deputy Speaker.

The debate on the motion before the House is, quite rightly, about the process that we are moving forward. We believe that the motion will support our attempt to help the police, licensing authorities and local government, by ensuring that they have every opportunity to reduce crime on our streets. I hope that the House will support the motion.

5 pm

James Brokenshire (Hornchurch) (Con): I am grateful for the opportunity to contribute to this debate, if not to talk about the substantive measures that may or may not come forward as a consequence of the motion, which the Minister outlined in his opening comments.

This reflects some of the comments made thus far, but as an opening remark I have to say that it is remarkable that the Government should yet again be coming to the House to seek further permissions in relation to what is becoming the Christmas tree Bill of all Christmas tree Bills—a Bill that has seemingly had more added to it than was in it in the first place. The ink on the printed version of the Bill was hardly dry before we learned that new provisions would be added. The Home Secretary informed the House on Second Reading that additional clauses would be incorporated to cover compensation for victims of overseas terrorism. Only last week the Government returned to the House again to seek a Ways and Means resolution to permit additional provisions on car clamping. We discovered yesterday that they are now adding provisions to the Bill on stop-and-search powers in the context of control orders, and now we have the additional consent to debate measures on licensing hours that is sought by today's motion.

[James Brokenshire]

It is astonishing that with so little time left in this Parliament, the Government should be using it in such a shambolic way. So much for joined-up government. If the motion is passed, the Government will simply seek to add another eye-catching initiative to a hotch-potch of a Bill—a Bill full of disparate measures designed to create headlines, rather than real solutions to the problems of this country, which are made worse by this Government.

Why the urgency? Why the sudden need to obtain permission today? Is it because the Government want to use the powers set out in the motion to repeal their shambolic alcohol disorder zones—a policy so successful that, as the Home Secretary confirmed in answer to a parliamentary question yesterday, no local authority has exercised its ability to implement one? The answer is no: in fact, the Government propose to spend more time on that failed measure, by tinkering with the drafting in the vain hope that that will have councillors beating a path to Marsham street, clamouring to become the first recipient of an alcohol disorder zone. The Government claim that such a measure would be a last resort, but that is more a reflection on them than on the unworkable policy to which that claim relates.

Is the reason perhaps that some new and urgent research has been forthcoming, highlighting new problems arising in the early hours of the morning from the impact of the Licensing Act 2003, and thereby justifying the need all of a sudden to bring forward this motion requiring debate in the Public Bill Committee on the Crime and Security Bill? The answer is no: in fact, the Government have known about the issues for around three years and done absolutely nothing about them. The Minister has already referred to the Home Office document, "Violent crime, disorder and criminal damage since the introduction of the Licensing Act 2003", which was published in July 2007. That report highlighted rising levels of criminal damage, stating:

"The number of offences happening between 3am and 6am were consistently higher in each of the four three-monthly periods after the introduction of the Act compared with the equivalent periods in the previous year".

That study noted a 22 per cent. increase in all offences committed between 3 am and 6 am.

Again, is the reason for today's motion that there is some new evidence? Let us look at the evidence drawn to our attention in the Department for Culture, Media and Sport's "Evaluation of the Impact of the Licensing Act 2003", which was published nearly two years ago, in March 2008. It said that

"violent crime occurring in the small hours of the morning has grown."

If the Government have known about the issue for such a long time, why the sudden urgency? Why has this not been addressed before? Why was this measure not deemed sufficiently important to be incorporated in the Bill before it was published? Indeed, if these issues have been known about for so long, why were suitable powers not included in the Policing and Crime Act 2009, which dealt with licensing measures only a few months ago?

Perhaps the Government finally believe that there is a key issue involved in the number of pubs, off licences and other outlets remaining open between 3 am and 6 am. Apparently not. The Home Secretary told the "Today" programme as recently as 19 January that open-all-hours licensing was not an issue. He said:

"It's not 24-hour licensing...The average extra amount of time that pubs and clubs are open is 21 minutes."

The Department for Culture, Media and Sport's evaluation, published in 2008, states:

"There is no evidence of 24 hour drinking, with only a minority of premises securing 24 hour licences and very few actually utilising those hours. There have been only limited changes to actual opening hours."

The evaluation highlighted research showing that

"470 pubs, bars and nightclubs have 24 hour licences, but there is no evidence that more than a handful operate on that basis."

If that is the case, the Government's introduction of this motion today paints a slightly confused picture. Do they now believe that this is an issue? Previously, they suggested that it was not. Their approach is confused and shambolic, at best.

Mr. Bone: I guess that the issue on which the House will divide is whether the power should be given to the Committee to consider making the restrictions. The Committee would then argue about them. I wonder whether this has been tacked on as some kind of vote-grabbing measure because there is a general election on the horizon.

James Brokenshire: My hon. Friend makes a telling point.

We believe that the fettering of the licensing powers given to local authorities is a significant problem. It might therefore be helpful for the Public Bill Committee to be able to debate the issue. That would allow its members to highlight the fact that, between 2004-05 and 2008-09, the number of finished admissions for patients with an alcohol-related diagnosis increased from 644,000 to 945,000—a rise of 47 per cent. It would also allow a debate on how alcohol was a factor in almost 42,000 cases of children under the age of 18 being admitted to English hospitals in the past three years, according to official figures.

Keith Vaz: The hon. Gentleman is absolutely right to say that the motion would allow a debate on alcohol-related crime, which costs the taxpayer £7.3 billion. The worry for me and others is the possibility of another order being brought before the House before the recess on, for example, the question of whether there should be a floor price for alcohol. The Government have resisted such a proposal, but I am worried that it could be put into another motion. We need a substantive debate on these subjects, rather than a brief debate on process.

James Brokenshire: Obviously, if the motion is accepted, it will facilitate debate in the Public Bill Committee. It would then be open to right hon. and hon. Members to table amendments on Report, should we reach that stage, which would facilitate the wider debate on the substantive issues that the right hon. Gentleman seeks. I hear his concern about the number of orders and procedural matters that are being brought before the House in relation to this Bill. There is a worry that some completely new issue that has nothing to do with alcohol could be tacked on. I have already described the Bill as the Christmas tree Bill of all Christmas tree Bills, with all these additional provisions being added at the last moment. This does not aid proper consideration.

The normal process for Public Bill Committees involves gathering evidence in advance, to aid debate and discussion in Committee. The right hon. Gentleman is the Chair of the Home Affairs Committee, and he will know that that mirrors the Select Committee approach. That will not happen in this case, however, because this measure is simply being tacked on. For example, there have been some rumours—albeit Ministers have said that this is not the case—that significant issues such as universal jurisdiction might be added to the Bill at some point. Ministers are saying no at the moment, but it is not inconceivable that something might suddenly pop up that relates to the provisions, so we might have another order put before the House and another interesting debate on procedure, leading to further amendments being tabled in this way.

Tom Brake: As has been said, other Members might like to use such a procedure as an opportunity to promote matters of interest to them. For example, my party might have liked to have tabled an amendment to get rid of Government plans for ID cards—but that, of course, would not have been allowed, whereas this proposal, which is completely outwith the Bill, is being included in it.

James Brokenshire: This afternoon's debate has been helpful in highlighting procedural issues about the operation of the House. I am pleased that my right hon. Friend the Member for North-West Hampshire (Sir George Young), the shadow Leader of the House is in his place alongside me, as I am sure he is taking note of some of the procedural issues relating to how certain matters can be added at a very late stage of a Bill and any attendant impact on consideration in Committee and the House's approach to scrutinising legislation.

Mr. Greg Knight: My hon. Friend puts his finger on what is disturbing about this instruction motion today: the Government are seeking to widen the scope of the Bill. Does he have any information about whether the Government are to instruct the Committee of Selection to look at the membership of the Committee and perhaps broaden it to take into account its new responsibility should we agree to the motion?

James Brokenshire: I am certainly not aware of any such discussions, through the usual channels or otherwise, but I am sure that the Under-Secretary will have heard my right hon. Friend's point, to which he could respond in his summing-up speech.

Agreeing to the motion facilitates further discussion of important issues—about the fact that young people are drinking twice as much as they did in 1990, for example. As I believe the right hon. Member for Leicester, East (Keith Vaz) highlighted, there were 973,000 violent attacks last year in which the offender was under the influence of alcohol. We welcome what appears to be the Government's late conversion to our thinking in bringing forward this motion to allow debate on these issues, as by doing so they appear to recognise the failure of the measures that they introduced in the first place.

Mr. Sutcliffe: Just for the record, is the hon. Gentleman saying that he supports the Government's proposals?

James Brokenshire: That relates to substance, so I would be outwith the terms of the motion if I engaged with that. I was welcoming the opportunity to debate these issues and the fact that the Government, having seemingly defended their 24-hour licensing by saying that it was not a problem, now recognise that there is a problem. I am welcoming the Government's conversion to our way of thinking in recognising through the motion that there is an issue about licensing.

Keith Vaz: I am glad to hear that the Minister wants to engage on the issue of substance; one way for him to do so would be to join the Committee.

James Brokenshire: I am sure that the Minister will jump at the opportunity, given that he clearly wishes to take part in the substantive debate. It would be a shame if a lot of the issues were considered in detail in Committee and he was not there. I believe he was offering his services on Report. That highlights the problem of bringing in provisions at the last moment: the proper debate and discussion that we should have in Committee and in accordance with the process that involves the Committee of Selection is not necessarily facilitated, because the most appropriate Minister—on the basis of his responsibilities—may not be there to deal with certain aspects of the Bill.

Mr. Shailesh Vara (North-West Cambridgeshire) (Con): Given that we have talked about the possibility of altering the membership of the Committee, can my hon. Friend enlighten us as to whether provision can be made to have extra time so that the Committee can consider the new proposal that has been put forward?

James Brokenshire: I can confirm that we have been given an extra day in Committee, although that happened before we realised that the new provisions were being added. Ostensibly, the purpose was to address certain issues relating to, for example, compensation for victims of overseas terrorism. We understand that provisions relating to stop-and-search powers in control orders have also been added, and that some changes have been to the car clamping provisions. As I have said, there has been a fair amount of movement since the Bill's First Reading.

Mr. Vara: May I establish, just for the sake of clarity, whether it was specifically stated when the Government allowed the extra day that this measure could be debated during that time?

James Brokenshire: I am not aware that it was, but obviously extra time will be available for debate on such measures, and obviously, if the motion is passed, the Committee will have an opportunity to debate Government amendments relating to the power that they propose to give local authorities to prevent licensees from opening their premises between 3 am and 6 am.

Mr. Chope: My hon. Friend has referred to the granting of one extra day for debate on new clauses previously introduced by the Government. Does he agree that a further day is necessary in the light of the major proposals that the Government are now presenting?

James Brokenshire: That is certainly worth reflecting on. I am sure that discussions will take place between the appropriate channels, and I would not wish to intercede, or intervene, in any such discussions. To be fair, I think we have been making good progress and dealing with the Bill at the right pace. Nevertheless, the introduction of measures at such a late stage is not helpful to proper consideration and ensuring that we use the time as appropriately and effectively as possible. I know from experience that the Government have form in this regard. For instance, the Policing and Crime Bill—enacted in 2009—contained provisions on significant and sensitive matters such as gang injunctions and DNA retention, which had been added to the Bill at the last minute and which were problematic in terms of the time that might be allowed for the Committee to debate them.

The motion will allow us to test some of the Government's thinking on the restriction of the sale and supply of alcohol between 3 am and 6 am. It will enable us to scrutinise the proposal to establish whether, for example, it misses the point by not taking account of the fact that some of the problems may arise before 3 am. Given that the Government have identified the period between 3 am and 6 am as when problems occur, the Committee should be able to debate—if the motion is passed—whether, if the problems exist, they might have been caused much earlier in the evening.

Madam Deputy Speaker: Order. I remind the hon. Gentleman that the debate on the substance of the proposal will take place in Committee. I am sure that he will not dwell on that particular aspect for much longer.

James Brokenshire: I was merely seeking to establish why the motion may have been considered appropriate, Madam Deputy Speaker. I sense that some Members are somewhat sceptical about whether it should have been permitted.

While I would not wish to be seen as helping the Government, I think it useful to outline some of the considerations that might be necessary in Committee in order to find reasons to justify the tabling of the motion. If it is passed, the measure will need to be scrutinised. Indeed, it will be necessary to test whether it will work at all. I know what the Government have said about late-night licensing and 24-hour opening. If councils must prove that such measures will reduce crime, problems may arise if the Government set out reasons why that is not the case. We need to explore some of the inconsistencies. I hope that the motion will allow us to ask the Minister, for example, how he expects councils to meet the tests that they intend to introduce, how many councils he expects to use the proposed powers, and how many licences will be affected. I appreciate that those are matters of substance for the Committee to debate, but I think that they need to be considered in the context of whether the motion is permissible.

Mr. Peter Bone (Wellingborough) (Con): I am still not convinced that the House should not divide and vote against the motion, because the Executive are, in effect, adding measures at the last minute and thus restricting debate in Committee on other issues; that must be the case, because the Government are not providing additional time. I am not really interested in the substance of the Bill; what I am interested in is whether this is an abuse of Parliament, and whether we should divide. I would be very interested to hear my hon. Friend's advice on this matter.

James Brokenshire: Well, I am interested in the issues of substance. I think that my hon. Friend made those comments in the context of this procedural motion, because I know how keenly he fights for the interests of his constituents in respect of antisocial behaviour and crime. I believe that there is a need to debate in Committee the issues raised. So far, we have been making good progress through the Bill, and therefore there is sufficient time to consider these aspects, although I must say that it is not helpful for new issues to be highlighted at the last minute. Therefore, although it could have been problematic, as we have been proceeding in a fairly efficient manner, seeking to deal succinctly where possible with certain provisions in the Bill, there is some latitude, so I would not wish my hon. Friend to call a Division on that point of justification. It is, of course, open to him to call a Division, and I respect the points he makes about the need for the role of Parliament and its scrutiny to be applied properly in relation to the actions of the Executive.

Mr. Greg Knight: My hon. Friend says he is prepared to set aside for a moment the general arguments about these issues, but does he not agree that there is a point to be made about the use of this procedure? Although it is clearly not out of order, it is nevertheless a procedure that should be deplored. Does my hon. Friend not agree that the Government should have put these provisions in the Bill at the outset, if that is what they wanted to do?

James Brokenshire: I do agree. The Government should have introduced these provisions at the outset for the reasons I have given—such as those to do with scrutiny, the taking of evidence and witnesses being able to appear—in order to allow the changes in the structure of Bill proceedings that this House has approved to operate effectively and appropriately. I am sure such procedural issues will be reflected upon, as will the question of whether it might be an abuse of the House if such procedure—adding measures into Bills at the last minute—were used on a regular basis.

I feel that this is simply the latest pre-election directive from the Downing street bunker. It betrays just how out of touch it has become, because these measures fail to give local authorities any real control over closing time, and they fail to give effective powers or to deal with fundamental presumptions.

Madam Deputy Speaker: Order. The hon. Gentleman knows he is straying wide of the motion now.

James Brokenshire: I shall draw my comments to a conclusion, but I have to say that I get the sense that, in bringing forward this motion this afternoon, the Government have accepted that their attempt to create a continental-style café culture, as promised with the Licensing Act 2003, has simply exacerbated Britain's binge-boozing problems. As I have said, a debate needs to take place highlighting the fact that hospital admissions have gone up, violent crime has gone up, death rates have gone up, and—

Madam Deputy Speaker: Order. I am sure the hon. Gentleman knows that that debate is for the Committee.

James Brokenshire: And I very much look forward to the debate, because this sort of thing simply cannot go on, when we consider the link between alcohol and violent crime. I believe it is time for the British people to call time on this Government and their measures, which have caused so much damage to communities throughout the country.

Sir George Young (North-West Hampshire) (Con): On a point of order, Madam Deputy Speaker. Earlier in our proceedings, during questions to the Secretary of State for Wales and in response to a question from my hon. Friend the Member for Monmouth (David T.C. Davies), the Minister from the Wales Office used the expression "two-faced Tories." It might well be that with all the noise that was going on, Mr. Speaker did not hear that exchange, but may I ask you or Mr. Speaker to reflect on whether that was parliamentary language and, if it was not, whether, at an appropriate time when all the parties are here, the Minister might be invited to withdraw that remark?

Madam Deputy Speaker: I shall certainly study the record of what was said at Question Time, refer it to Mr. Speaker and advise him of the comments that the right hon. Gentleman has made. Undoubtedly, Mr. Speaker will come back with a statement on that.

5.25 pm

Tom Brake (Carshalton and Wallington) (LD): Members who have listened to this afternoon's debate will have noticed that there is no real underlying theme to the Crime and Security Bill. There is no clear statement of the Government's intention on crime. The hon. Member for Hornchurch (James Brokenshire) has quite rightly described it as a Christmas tree of a Bill. We have had the baubles, the tinsel, the wooden figurines, the Christmas lights and an angel on top and now we are adding some decorations made out of straw and pipe cleaners, too.

Members who have followed the Bill closely in Committee will know that we have had clauses on stop and search and tackling bureaucracy, which we welcome. We have had clauses on DNA, responding grudgingly to a ruling of the European Court of Human Rights, that we do not welcome. We have provisions on wheel clamping—a good populist issue—that all Members from all parties support although of course the AA says that they will not work. We have what we have dubbed "gangbos", or gang injunctions, which we do not particularly welcome. As the hon. Member for Hornchurch has said, we have also had added in clauses relating to victims of overseas terrorism and to stop-and-search control orders. Finally, we have licensing added to all that.

As I highlighted in my intervention, one thing that concerns me about the Bill is the facility—or ease—with which the Government have been able to add in a whole new group of law and order issues, whereas if Members from other parties had sought to introduce amendments to the Bill that were as far removed from it as the proposals today, that option would not have been available.

We have before us powers for licensing authorities to stop businesses selling alcohol between 3 am and 6 am. While I was carrying out some research into that, I was given a copy of the Library note entitled "Licensing Act 2003: objecting to a licence". Members and the Minister will be aware that on 29 January a new proposal came into effect whereby a licensing authority can now object to a licence application or initiate a licensing review. I must say—

Madam Deputy Speaker: Order. I remind the hon. Gentleman of what I said earlier. Under this motion, we are discussing whether members of the Public Bill Committee can go into the issues that he is raising, rather than doing what he is now attempting to do.

Tom Brake: Thank you, Madam Deputy Speaker. I noticed that other Members have been allowed to stray a little wider—indeed, the Minister has done so on a number of occasions. I can assure you that I do not intend to detain the House for more than a couple of minutes.

I agree that it would have been appropriate to assess the new legislation that took effect just a couple of days ago and to see whether it addresses some of the issues that the Minister wants to address.

I have one other important point to make, which goes to the heart of what the Minister wants us to address and of whether it is appropriate for the matter to be dealt with in Committee. The issue was raised by the Minister. He highlighted the problem of the increase in crime between 3 am and 6 am, but the chart given to us by the Library highlights that that increase has taken place between 12 am and 6 am. I ask the Minister why he has chosen the 3 am to 6 am slot rather than the 12—

Madam Deputy Speaker: Order. I must interrupt the hon. Gentleman again and remind him that those matters will be discussed by the members of the Committee if and when the time comes.

Tom Brake: Thank you, Madam Deputy Speaker. I shall draw my brief remarks to a conclusion.

Given that the Government want to pursue this line of inquiry, I certainly do not think that we need to debate the matter. Whether it would be appropriate for us to debate it in the proceedings of the Bill Committee, in which we have made significant progress, received evidence from a series of witnesses and consulted a number of parties to seek their views, is a matter that we could debate at length now, although you would not allow us to do so.

I did not think that the Minister's statement explaining why the Government seek to introduce the debate into the Bill's proceedings was terribly helpful. There are many questions that we will clearly have to discuss, or that we will need to raise with the relevant Minister in Committee, which we do not have time to debate further today. As the Association of Convenience Stores, the British Retail Consortium and the Wine and Spirit Trade Association have highlighted in their briefing on this subject, there are concerns that the amendment is being proposed at a time when existing legislation, which was introduced just a couple of days ago, could potentially achieve exactly what the Government want to do, but has not been given time to take effect.

5.31 pm

Keith Vaz (Leicester, East) (Lab): I, too, will be brief, because I am keen not to make a speech that is out of order, bearing in mind the narrow nature of the motion. The Government could have had an easy win on this matter, because the proposal that is mentioned in the motion is very good, but we cannot discuss its substance even though the Minister tried to slip in, I noticed, a justification for it at the end of his speech. I would expect nothing less than a quick passing of the ball from the Under-Secretary who is the Minister for Sport. The fact that Members on both sides of the House are giving him a hard time is not because we do not like him. I have known him for many years, and I think that he is a great Minister for Sport. He is in his dream job, he has probably attended more cup finals than the hon. Member for Hornchurch (James Brokenshire) and I have had samosas, and he goes about his business with great elegance. Those of us with an interest in home affairs—this is a home affairs Bill—will note that he was not, as I recall, present on Second Reading. Perhaps he was off commenting on Mr. John Terry's love life at the time. Indeed, why should the Minister for Sport sit in on a debate on the Crime and Security Bill if none of the issues relates directly to him? I know that he voted on it, of course, because all members of the Government would vote on and support something of that kind.

What the Minister has done, however, is to excite people such as myself, the hon. Member for Wellingborough (Mr. Bone) and others who really do want to have a discussion about the substance of the proposal because it is a first-class proposal. Let me try to explain, without straying into the substance at all, that it is entirely in keeping with recommendations that the Select Committee on Home Affairs has made over a number of years. It is also in keeping with debates that we have had in the House on issues of substance concerning alcohol-related crime. However, there are worries about the way in which the Government have dealt with the matter. I realise their urgency and that the Minister wanted to come here and get his motion in quickly so that the proposal could be part of the discussions in the Public Bill Committee, rather than being left until Third Reading or the remaining stages of the Bill when Members on both sides of the House might have accused him of coming in at the very last minute to discuss issues of substance. He wants to give members of the Bill Committee the opportunity to discuss the proposal, but that will not give other Members of the House the opportunity to do so.

Mr. Bone: Has the right hon. Gentleman considered whether his Select Committee could have an evidence session, as the Bill Committee clearly cannot have one, to help the Bill Committee to reach a decision?

Keith Vaz: I had not considered that until the hon. Gentleman mentioned it. The hon. Member for Carshalton and Wallington (Tom Brake) is here, and he is a distinguished member of the Select Committee, but I do not think that we need to hold an evidence session as I am sure we are all in favour of reducing alcohol-related crime.

When we get to the substance of the proposal rather than the process, I am sure that the Minister for Sport will be cheered from the rafters. We will say that he is a great man who has made a great proposal, but I am afraid that he has been rather hamfisted in the way that he has brought it to the House.

That is why we have been having a go at him, and I presume it is why the Minister for Policing, Crime and Counter-Terrorism has arrived to give him reinforcement. It is also why my right hon. Member for Rutherglen and Hamilton, West (Mr. McAvoy) keeps coming in and out of the Chamber. He is not here at the moment: I can stand up to lots of Members of this House, but I tend to shiver a little when I see him.

I know that the Government want a vote on this motion, but I hope that the Opposition will not divide the House. I accept that the process could have been slightly better, but this is a very important issue and we should use any extra time that we may get to discuss it.

People in our constituencies raise matters like this with us every week. We are not discussing the substance of the proposal, Mr. Deputy Speaker, but I am sure that local people come up to you and say, "Forty two per cent. of crime victims say the crimes are alcohol related." Or they may not—

Mr. Deputy Speaker (Sir Michael Lord): Order. Sadly, what they do not come up to me and say is, "Let this be an instruction to the Committee." I think that that is what the right hon. Gentleman is seeking to talk about.

Keith Vaz: Thank you, Mr. Deputy Speaker. However, I shall be going back to Leicester tomorrow night, and I shall be there on Friday and Saturday. I am sure that people will say to me, "Well done, Mr. Vaz, for supporting the motion to instruct the Public Bill Committee to allow a debate on these issues."

The Minister for Sport is intervening in a Home Office debate. When the matter is discussed on Report, I hope that those of us with an interest in it will have time to discuss it further. If that happens, I think he will receive plaudits from all sides of the House. We may have been beastly to him this afternoon, but we support him really. We hope very much that the instruction will go through and that members of the Public Bill Committee will have the opportunity to discuss these serious and important issues.

However, the House as a whole must have a chance to discuss them too. The Government have made a decision, although at a very late stage. The Home Secretary should have talked about the proposal on Second Reading, but we accept that the Government did not want to bring it forward then. Nevertheless, the House needs to be able to discuss it as soon as possible.

If necessary, I will gladly support the Government in the Division Lobby today, to ensure that the Public Committee is able to discuss this very important measure.

5.38 pm

Mr. Christopher Chope (Christchurch) (Con): I rise briefly to put on record my great unhappiness with the procedure being adopted by the Government. The right hon. Member for Leicester, East (Keith Vaz) said that he thought the proposal was urgent but, if that were so—and following the 2008 report to the Department for Culture, Media and Sport—it could have been incorporated in the Bill at the outset.

As my hon. Friend the Member for Hornchurch (James Brokenshire) said, the proposal could probably have been incorporated in a Bill that went through the House in the previous Session and which is now on the statute book. It is obviously not urgent now, except in the sense that the Government, seeing a general election looming, may think that a way to avoid a public debate on this issue is to try to throw in the towel now. Although they said that the Licensing Act 2003 would not create more crime and disorder on the streets, perhaps they accept that it has in fact had that consequence.

I shall not go into the substance of the matter, but I can see that it may be expedient to bring the instruction forward now. However, the problem with expediency is that it often cuts across the principles of parliamentary procedure. It would be very expedient for the Executive permanently to suspend the Standing Orders of this House, but in effect that would be to tear up our unwritten constitution. The procedures of the House are our constitution, in the absence of a written constitution. I do not think that we should accept the expediency argument easily, or without examining it.

One consequence of our giving the hapless Minister a bit of a rough ride this afternoon is that his Whips Office may well be angry that the procedure has been so mishandled that the House has been detained for as long as it has and everybody is being kept on tenterhooks, not knowing whether there will be a Division or not. My hon. Friend the Member for Wellingborough (Mr. Bone) has indicated his views on that.

I am worried that because the Government did not include the provision in the Bill on Second Reading, which they could easily have done, that prevented hon. Members from referring to the matter in that debate and prevented evidence being given to the Public Bill Committee.

Mr. Greg Knight: Surely there is another point that needs to be taken into account. Because of the procedure being used, the composition of the Bill Committee is different from what it might have been, had Members of the House known that the issue was capable of being discussed during the proceedings in Committee?

Mr. Chope: My right hon. Friend is right. Normally, the Committee of Selection will take into account preferences expressed by right hon. and hon. Members about serving on a Public Bill Committee, and it might have reached different conclusions if the matter had been included in the Bill at that stage. We have heard, and the Minister accepts, that it would have been appropriate for him to be on the Committee, but it is probably now too late for that. Or perhaps the Committee of Selection will be reconvened and he can serve on the Committee to answer the points raised by hon. Members.

There are consequences for programming, too. As has been mentioned, the Committee will have less time to consider other parts of the Bill unless extra time is given. One extra day has apparently been awarded already, but having heard today's debate, I should have thought that that was insufficient. We have not yet heard what will happen on Report. Will we get extra time for Report stage? The Bill will be much more complex than it was originally.

I wonder where all this is leading. Although everyone in the House may think that as a matter of expediency the amendments that will follow from the instruction, if it is passed this evening, are a good thing, there may well be people—for example, those who have invested in licensed premises—who take a different view. When will they be able to make representations? We must always take into account third-party interests, outside interests and the minority's opportunity to speak. There is no opportunity for people who may be adversely affected by the changes being proposed to the Bill to make their representations in a timely manner.

I see this as a serious issue relating to procedure. That is why I know that my right hon. Friend the Member for East Yorkshire (Mr. Knight), the Chairman of the Procedure Committee, has been taking such a keen interest in this debate. Ultimately, the Standing Orders of the House cannot prevent the Government from introducing such a motion and making it the subject of a vote, but we can try to prevent them from trying to use the specious excuse of urgency, when it is patently obvious that there is nothing urgent about it.

It is not as though there has been some ruling from the European Court of Human Rights or the Supreme Court in the past few days which needs the Government urgently to use a legislative vehicle to change the law—everything about the Bill that is known now was known in December, when the Bill was presented and when it was the subject of a Second Reading debate.

If we divide the House tonight, would the mischievous Government suggest that Conservatives had voted against the substance, which we are not allowed to debate, and which has not been exposed to us, except in small part by the Minister? The Minister's colleague from the Home Office, the Minister for Policing, Crime and Counter-Terrorism, shook his head when I said that such accusations might be made against us on that matter. However, with the proximity of a general election, and knowing how sensitive this subject is in Bournemouth and other town centres, given the feeling that crime and disorder on our streets, particularly in the early hours of the morning, has been exacerbated by the Government's mistakes on licensing legislation, I am not prepared to risk dividing the House, opposing this procedural motion and seeing my opposition misrepresented as support for people who cause disruption in our town centres. It is a pity that the Government did not get their tackle in order earlier and put right what is obviously wrong, but I suppose that the measure is better late than never.

5.45 pm

The Parliamentary Under-Secretary of State for the Home Department (Mr. Alan Campbell): This has been a very lively and useful debate, with significant contributions from those in all parts of the House. It is the first time that the hon. Member for Christchurch (Mr. Chope) seems to have worried about detaining Members, and the first time that I have heard him decry or not take up the opportunity to take an independent stance, even if that means offending his Whips. Occasionally, contributors have strayed towards the substance of the issue, but the motion is about extending the scope of the Bill.

Mr. Chope: I should just like to put on the record that I have not discussed my views on the matter with the Whips. I have made an independent judgment of what I want to do, and whether it be right or wrong, it is my independent judgment.

Mr. Campbell: I am sure that we are grateful for that, and the independent judgment appears to be not to vote against the measure.

I am grateful for the contribution from my right hon. Friend the Member for Leicester, East (Keith Vaz), who reminded us of the important work of the Home Affairs Committee. I am grateful also for his supportive comments about the proposal if not the process, and I, too, hope that he has the opportunity to discuss these important matters at the appropriate time.

The hon. Member for Hornchurch (James Brokenshire) rehearsed many of the arguments that I suspect we will hear from him in Committee and beyond, and he asked about the urgency, to which I shall refer specifically in a moment. The hon. Member for North-West Cambridgeshire (Mr. Vara), who is not in his place, asked for time to consider these matters in Committee. It was made clear that the Committee already has a number of issues to consider, so the Committee's time for deliberation has been extended, and I am grateful to the hon. Member for Hornchurch for acknowledging that. The hon. Member for Carshalton and Wallington (Tom Brake) complained about the extension of the Bill, but, whoever the Government in power, it is not unusual for them to extend the measures that are debated in Committee, which then, ultimately, find themselves in a Bill. The difference on this occasion is that the proposals would widen the scope of the Bill, and the motion has been tabled because we need to consider carefully whether that is right.

The hon. Member for Hornchurch asked about urgency. When we make policy on tackling alcohol-related crime and many other things, it is part of a continuum. We are constantly looking at the need for new legislation, at how it works when it beds down and at the next step. Alcohol-related disorder is a good example of why we need to be on the front foot, because the 2008 review of the Licensing Act 2003 found a mixed picture throughout the country. The hon. Gentleman acknowledged that, during the passage of the Policing and Crime Act 2009, we brought forward measures on, for example, the mandatory code, but, without straying into the substance of the Bill, I must say that our proposals will address the situation in a minority of areas where the balance is not correct. We continue to work with licensing authorities, and we seek to deal with individual premises, but it is part of a continuum.

Mr. Bone: He's going into the substance.

Mr. Campbell: Yes, I—

Mr. Deputy Speaker: Order. The Minister is already starting to stray. Perhaps he will now come back into line.

Mr. Campbell: My apologies, Mr. Deputy Speaker.

When one has alighted on a particular set of proposals, they must be proportionate—the House would be aghast if they were not—and that takes a period of deliberation. One does not alway alight on a particular measure at an appropriate time. Sometimes, however, legislative measures are brought forward that provide the opportunity for those measures to be discussed, debated and then voted on. Getting the balance between the necessary urgency as regards such a subject and a proportionate response means that things are not always lined up at the same time.

This Bill is an important vehicle to do with crime and disorder. In order to ensure that its provisions are balanced and proportionate, it was, unfortunately, not possible to bring forward these measures when it was debated on Second Reading. That is why we require this process, which is, admittedly, unusual. I stress that what we are debating today is giving power to local authorities that will then be dependent on regulations brought forward at a later date.

Mr. Deputy Speaker: Order. That is not what we are debating today—we are debating an instruction to the Committee.

Mr. Campbell: Then let me say that there will be opportunities for further debate during later stages of the proceedings on the Bill, whether in Committee, in the remaining stages, or in another place; and subsequent to that if the proposals are accepted. I regard this as the start of a debate, not the conclusion. We are proposing an important and timely additional measure. I commend the motion to the House.

Question put and agreed to.

Ordered,

That it be an instruction to the Crime and Security Bill Committee that it has power to make provisions in the Bill to enable restrictions to be placed on the hours during which alcohol may be sold or supplied.

Business without Debate

DELEGATED LEGISLATION

Mr. Deputy Speaker (Sir Michael Lord): With the leave of the House, we shall take motions 6 to 11 together.

Motion made, and Question put forthwith (Standing Order No. 1186(6)),

TOWN AND COUNTRY PLANNING

That the draft Town and Country Planning (Fees for Applications and Deemed Applications) (Amendment) (England) Regulations 2010, which were laid before this House on 5 January, be approved.

PENSIONS

That the draft Personal Accounts Delivery Authority Winding Up Order 2010, which was laid before this House on 12 January, be approved.

PENSIONS

That the draft National Employment Savings Trust Order 2010, which was laid before this House on 12 January, be approved.

DATA PROTECTION

That the draft Data Protection (Monetary Penalties) Order 2010, which was laid before this House on 12 January, be approved.

ANIMAL WELFARE

That the draft Welfare of Racing Greyhounds Regulations 2010, which were laid before this House on 13 January, be approved.

FINANCIAL SERVICES AND MARKETS

That the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 (S.I., 2010, No. 86), dated 19 January 2010, a copy of which was laid before this House on 19 January, be approved.—*(Lyn Brown.)*

Question agreed to.

EUROPEAN UNION DOCUMENTS

Motion made, and Question put forthwith (Standing Order No. 119(11)),

FUTURE RELATIONS BETWEEN THE EU AND THE OVERSEAS COUNTRIES AND TERRITORIES

That this House takes note of European Union Document No. 15647/09, a Commission Communication on Elements for a new partnership between the EU and the Overseas Countries and Territories (OCTs); recalls that such Communications are consultation documents and are not legally binding; and welcomes the Commission Communication as a continuation of the process of the renegotiation of the Overseas Association Decision.—*(Lyn Brown.)*

Question agreed to.

PETITION

Road Repairs (Northamptonshire)

5.52 pm

Mr. Peter Bone (Wellingborough) (Con): With your permission, Mr. Deputy Speaker, I would like to present a public petition that should have been presented last night, but was not. That is entirely due to a mistake by me, and not in any way by the Table Office or the Chair. I apologise to the Chair for that.

Dr. Collier, one of my constituents, has single-handedly collected 1,000 signatures about the state of the roads in Rushden. With your permission, Mr. Deputy Speaker, I will read out the petition, because it entirely explains the situation. The petition states:

The Humble Petition of members of Rushden, Northamptonshire and the surrounding areas,

Sheweth,

That the roads of Rushden are in a poor state and are desperately in need of repair; there are many potholes and these cause a hazard to drivers and pedestrians; they are dangerous for the vulnerable who have to cross the roads and risk causing much damage to vehicles and costing constituents large amounts of money during the recession; the roads are in a very bad condition and cannot cope with the current local population; action needs to be taken if they are to be able to cope with the planned expansion of north Northamptonshire.

Wherefore your Petitioners pray that your Honourable House urges the Secretary of State for Communities and Local Government to direct Northamptonshire County Council to take remedial action to repair the roads, thereby improving the situation for local residents.

And your Petitioners, as in duty bound, will ever pray, &c.

[P000731]

Yarl's Wood Immigration Removal Centre

Motion made, and Question proposed, That this House do now adjourn.—*(Lyn Brown.)*

5.54 pm

Alistair Burt (North-East Bedfordshire) (Con): Thank you, Mr. Deputy Speaker, for the opportunity to raise matters relating to Yarl's Wood detention and removal centre. As I am sure the House is aware, it is the largest immigration detention centre for women and children in the United Kingdom and is located in my constituency.

I sought this debate before a protest began at Yarl's Wood last week, a hunger strike that became rather more serious on Monday. However, a number of the matters at the heart of the protest are pertinent to the remarks that I shall make. It is fortunate that we have a little more time than we normally would for an Adjournment debate, and I acknowledge the presence of the hon. Member for Bedford (Patrick Hall), who has always taken a keen interest in the centre.

I shall briefly give some history of the centre, because it is pertinent. Some of the problems inherent at the outset of Yarl's Wood still bedevil it and the system that it symbolises. It was built on a deceit. Terrified by the rise in the number of asylum applications resulting from changes in policy in 1997, the Government needed to react to growing public concern prior to the general election of 2001. The then Home Secretary plucked a figure for removals out of the air, and Yarl's Wood was built to accommodate that fictitious figure and the attempts that followed to remove people from the UK as part of the process.

The centre was appallingly built, without adequate fire precautions, and on Valentine's day 2002, following a disturbance started by former prisoners who should not have been there, half the centre burned down, risking more than 300 lives. The insurance claim disgracefully launched against Bedfordshire police has not yet been settled, eight years after the event.

If the Minister or the House believe that I have made a somewhat prejudiced and partial opening, they should read the excellent report by Mr. Stephen Shaw, the then prisons ombudsman, following his inquiry into the circumstances of the fire. I doubt that he would take issue with anything that I have just said.

The relevance of that history today is that something built upon sand may never recover from its poor foundations. The problems of the backlog in the system that resulted from the early policy changes of the current Government have never been adequately dealt with, and they still bedevil the system today. Similarly, Yarl's Wood's reputation from its opening days has rather unfairly lasted to this day. Perhaps I can deal with that first, as there is much concern and some misunderstanding about what happens there among groups outside Yarl's Wood who care deeply about detainees.

In April 2007, Serco took over the contract to run Yarl's Wood from Group 4. Since then it has made a number of changes that have markedly improved the atmosphere at the centre. It can never be a happy place, as it contains women and children who have come to the end of their attempts to move to, and live in, the United Kingdom. The vast majority know that at some stage, they will be required to leave. Many do not wish to do so, and that understandably makes for a difficult atmosphere in the centre.

[Alistair Burt]

However, Yarl's Wood is not a prison, and it is not run like one. The staff, a number of whom are my constituents, have to manage a balance between ensuring that the place is secure—people are there because there was a fear that they might abscond—and recognising that the majority have committed no criminal offence and should not be treated as prisoners.

The original Yarl's Wood regime tended more towards a prison regime, partly because of the haste in which the centre was built and the circumstances that I described earlier, and partly through a lack of thought as to what it was really about. However, through the patient work of both Group 4 and Serco, the atmosphere has changed. Internal doors have been taken down and there is much more free association among those who are detained. Facilities for education and recreation have steadily improved. The uniform of officers has changed, and the ratio of women to men officers has changed for the better and is more appropriate to the large number of women detainees. Internet access, for which I have repeatedly asked over the years, was finally installed in June 2007, and efforts have been made to improve access to external support organisations.

Those efforts have been helped by the repeated work of many people. The chief inspector of prisons, Anne Owers, has taken a particular interest in Yarl's Wood and her comments have helped to improve the situation. The Children's Commissioner has raised the issue. There has been sterling work by two local bodies, the independent monitoring board and the Yarl's Wood befrienders. I thank the chair of the independent monitoring board, Jane Leech, and all its members, for their work. Those volunteers are regularly at Yarl's Wood to observe what happens there and to be available to people. The befrienders are not a statutory body but often from a faith base, and they take care of detainees on a personal basis, particularly those who may have no one else to turn to. The involvement of both groups, which are staffed locally by volunteers from my constituency, is important and necessary. Yarl's Wood is not perfect, but not to recognise the efforts that have been made to improve the regime over the years would be unfair to those who work there, the Home Office, and others who try so hard to make things better in difficult circumstances.

However, last Thursday, a protest began at Yarl's Wood. It was partly about conditions, but more specifically about the asylum process and the length of time that some detainees are held. Over the weekend, the protest escalated, until on Monday, four detainees were isolated as alleged instigators. In response, a group of some 70 women peacefully occupied a corridor known as the avenue. At some stage in the afternoon, a group of women broke out of the corridor into a yard outside by climbing through windows.

I have spoken to Serco officials, the chair of the independent monitoring board, Jane Leech, and to Chief Constable Gillian Parker, who was kept abreast of the situation even though police did not need to enter the premises, for their accounts of the incident. I understand that Yarl's Wood staff contained the protest, both outside in the yard and in the corridor, and that it gradually came to a peaceful conclusion. That must be the first responsibility—the welfare and safety of detainees and staff. Women held in the corridor were not allowed access to food, water or toilet facilities during the protest. Those were available if they left the corridor and therefore the protest, but they were not allowed to rejoin.

I understand that there were no serious injuries, nor any serious physical confrontation between staff and detainees, but that account is not entirely accepted by some groups outside Yarl's Wood who supported the protest and the women involved, and who have e-mailed me. I should make it clear that I do not support hunger strikes, which damage the welfare of individual detainees, nor protests that risk the health and welfare of staff or detainees. Having said that, it is essential, for the integrity of the asylum and detention process, and for the staff and detainees involved, that what happens in such situations is verified, and that that verification is available externally.

Therefore, will the Minister confirm that CCTV coverage was available for all areas involved in the protest on Monday? Will there be an independent inquiry, or at least a report, into what happened and the circumstances, and how it was dealt with and contained, possibly through the chief inspector of prisons, Anne Owers? Will the CCTV coverage be available to her?

Can the Minister say what happened to the four women detainees who were allegedly held without access to facilities for most of the day, and who have now been dispersed to other centres? I understand that they were taken to the reception area and held there during the day, and that they were moved later, but what precisely was their condition during the day and who was looking after them? Were any injuries received by either staff or detainees? How were such injuries treated and were medical staff available at all times?

As I indicated, I sought this debate before that incident, and I want to cover some of the origins of the frustration that led to the protest.

Patrick Hall (Bedford) (Lab): May I intervene before the hon. Gentleman moves on to the issues that he intended originally to raise. It is my understanding, like his, that the protest of recent days was directed principally at the nature of the detention system. This is not the occasion to address those matters. None the less, does he agree that they need to be carefully debated at some point?

Alistair Burt: The hon. Gentleman is right—the nature of the detention system and Yarl's Wood have a tangential relationship. From what I understand—I have not spoken to any detainees, although I have heard representations from those who have—the protest was directed partly at Yarl's Wood, but essentially at the asylum and detention process. However, we need to address some of those frustrations, because Yarl's Wood is the end of the process. As I have remarked frequently in debates such as this, the policy is decided by the Home Office and executed by the UK Border Agency, but the people left holding the parcel at the end are the staff at Yarl's Wood. They have to deal with any frustrations caused by the system, although they are not responsible for policy and cannot make many decisions about individual detainee cases. Therefore, when the frustrations boil over as they did in this instance—although fortunately not to any great extent—the staff have to deal with that. Addressing those frustrations will therefore, in time, ease the situation at Yarl's Wood.

There is much frustration about the failures of the asylum process to deal speedily and effectively with cases. Only yesterday the Parliamentary and Health Service Ombudsman, Ann Abraham, reported on the UK Border Agency, as I am sure the House already knows. Among other things, she said that the agency still has a "long way to go" to ensure that its administration, complaints-handling procedures and remedy mechanisms are adequate. She spoke of the hundreds of thousands of backlogged cases not yet dealt with. She said that there was a risk for the agency of

"a loss of faith in their system by applicants, by other related organisations, and by the public at large".

I am sure that many hon. Members could give examples of long-running asylum cases. I had two new cases in the last week, one involving a Zimbabwean woman who applied in 2002 and still, eight years later, has not had a determination. The House will be aware that those who have been turned down for asylum face many restrictions on working and benefit claims. These are not just statistics. They represent people who are trying to get on with their lives while the process of determining their status goes on. Length of time does not give them any greater right in theory, but it makes a profound difference to the life that they want—and are trying—to live.

Some of the women detained at Yarl's Wood lived in their communities for many years before being taken to the centre for removal. They have effectively become settled in the UK. It is not that they have acquired a right to remain here: it is that the delay in the process makes the process of deportation so much harder, difficult to enforce and potentially unjust. They have relationships and jobs and, above all, a fear of a country that they may have left many years before in difficult circumstances. They now have to face the prospect of returning to it. When does the Minister believe that her Department will properly get a grip on the backlog of cases and deal with some of the frustrations so evident at Yarl's Wood?

In a statement on the events of the weekend and on the situation in general, Caroline Slocock, the chief executive of Refugee and Migrant Justice, said:

"The disturbances at Yarl's Wood again highlight the injustice of indefinite immigration detention in this country. Some of the women in Yarl's Wood have been held for many months and simply don't know when they will be released or removed."

The most recent figures for detention that I have are from the independent monitoring board's report from last year, and they are the figures for 2008. They show that 347 women were detained for between 30 and 59 days, 137 for between 60 and 89 days, 75 for between 90 and 119 days, 121 for between 120 and 364 days and eight for more than a year. I remind the House that Yarl's Wood is a short-term centre. It is designed for people to be there for a short period of time before they are deported. It was not designed to have a substantial number of women there for much longer than three to six months.

I am aware that there are many reasons why detainees will be at Yarl's Wood longer than anticipated, and some are beyond the ability of the Department to deal with—such as when a country refuses to accept a national back—but this poses a question. How long should women be detained if there is no certainty of their being deported? How long can an order be granted again and again to hold someone in such uncertain circumstances? If there is no prospect of returning someone rapidly, why is there not an alternative system of reporting and being handled, as opposed to being deprived of liberty?

Those circumstances are even more serious when it comes to children. I note that one or two other colleagues have just entered the Chamber. The situation of children in detention has exercised the House on more than one occasion—hon. Members hold strong feelings about that issue. The 2009 IMB report gives the figures for 2008: a total of 1,271 children left detention that year, of whom 262 were detained for between eight and 14 days; 87 for between 15 and 21 days; 74 for between 22 and 28 days; and 232 for more than 28 days. The Children's Society says that the children they tend to be involved with experience an average stay of about six weeks.

Given that I am talking about figures, I should say in passing that the right hon. Member for Leicester, East (Keith Vaz) sent me a copy of the Home Affairs Committee's report on the detention of children in the immigration system. I have just given the Minister the statistics for 2008, but the right hon. Gentleman wrote:

"We have been unable to discover how many individual families with children have been detained in the last year. That such figures are not readily available is troubling. In future, Government statistics should be more informative and state how many separate individuals have been detained, not merely how many people have passed through detention."

I leave that with the Minister. Many people have been exercised by the process.

Patrick Hall: The hon. Gentleman will have seen, therefore, that the Home Affairs Committee said, among a number of other comments and recommendations, that it regards detention as the final step in the process and that it should not be indeterminate pending legal proceedings. Does he agree that detainees will do all that they can to remain, including using the legal process, and that sometimes they themselves lengthen the period of their detention by seeking legal process? Should we not, therefore, be looking for means of dealing with people going through the legal processes outside detention and in the community, and only detain when the legal processes are truly concluded?

Alistair Burt: Yes, there is much in what the hon. Gentleman says. First, of course those detained will often do everything that they can to seek to remain, and if they have families with them, inevitably that will lengthen their time in a detention centre. Secondly, as he said, alternatives might therefore be sought. However, I will come to that later. I know that alternatives have been piloted and that there is much to be done there.

I am sure, however, that the hon. Gentleman would share with me the central principle that was well put in a briefing from the Refugee Council, with which I did a session on this issue during the party conference last year. It produced two relevant quotes about the detention of children. First, in December 2009, a briefing paper entitled "Significant Harm", which was published by the Royal College of Paediatrics and Child Health, the Royal College of General Practitioners, the Royal College of Psychiatrists and the Faculty of Public Health Medicine, recommended that the practice of detaining children cease "without delay".

[Alistair Burt]

Anne Owers, in her February 2008 inspection report, wrote:

"The plight of detained children remained of great concern. While child welfare services had improved, an immigration removal centre can never be a suitable place for children and we were dismayed to find cases of disabled children being detained and some children spending large amounts of time incarcerated. We were concerned about ineffective and inaccurate monitoring of length of detention in this extremely important area. Any period of detention can be detrimental to children and their families, but the impact of lengthy detention is particularly extreme".

The IMB report made the following pertinent comment:

"The IMB acknowledges the dedication, kindness and patience of staff involved in the care of children and families at Yarl's Wood. However, we remain extremely concerned about the detention of children. We highlight, inter alia, the length of detention, late night and early morning movements and the disruption to older children's education."

I echo the comments made by the IMB, because the issue is not just what happens at the centre. The trained staff who work there especially with children do the best that they can. They have to cope with a fluctuating population and great age differences, and they have to deal with children in the situation in which they have arrived. We have met children who were in school for long periods, but who were taken out shortly before examinations and therefore unable to complete them. They are completely disorientated: they have lost friends and loved ones, and have no certainty about what will happen to them. All that has to be taken into account in how those children are dealt with. This is not the time or place to go into how the UK Border Agency handles some of those issues of movement—they tell their own story. I simply quote the statistics for how long some children are there and the impact that that has to impress on the Minister my next point, which is that we have to work even harder for alternatives to detention for children.

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): On the point about children in detention, I visited Yarl's Wood, and although the staff are dedicated, the conditions are not those in which one would want one's own child kept. Does the hon. Gentleman agree that children are being kept at Yarl's Wood for much longer than MPs were initially assured they would be?

Alistair Burt: Yes, and indeed they are. That remains one of the problems of the system that we are dealing with. When Yarl's Wood was built, the original intention was to hold people for a short period before they moved out. Originally children were not there at all. They were added relatively recently, and I am sure that the decision was taken that they should be there for very short periods. I do not know whether the Minister has the figures this evening, but during the day I asked her office for the numbers of children who have been held over the past couple of years for longer than six months, nine months and 12 months, and how many were held, for example, over last Christmas.

The argument that the House would make to the Minister is this. Recognising all the difficulties and the pressure outside, she should tell us more about the alternatives and the pilots for dealing with those children differently. That is what I want briefly to touch on now. I am aware of the experiment that has been conducted—the Millbank alternative—and of the differing opinions on the success of that experiment. The official line was to say that it had not been a success and that it did not reduce the number of people absconding. However, a report produced by the Children's Society, the Princess of Wales Memorial Fund and Bail for Immigration Detainees looked into some of the drawbacks of that pilot and some things that might have been done better. Those groups think that the pilot was too short and that the referral criteria were unclear. Case owners—those looking after cases for the UK Border Agency—had a disincentive to refer families to the pilot. Families were not given enough time to explore the possibility of return.

The consensus view is that there were deficiencies in the pilot. It would therefore be wrong just to dismiss it and not have another go. I hope that the Minister will be able to say a little more about the new pilot that is under way—it started in Scotland last year—because it is on such pilots that we pin many of our hopes. There is an understandable horror at seeing children behind bars. We know why it is difficult for the UK Border Agency to deal with families with children—we all understand that—but there has to be a better alternative.

I would like to use this opportunity to say that, quite rightly, facilities at Yarl's Wood have improved markedly. The new little school built inside the centre is terrific; or it would be if it did not lead out to closed doors and the centre itself. If the school were in the middle of one of my lovely Bedfordshire fields, it would be marvellous.

Keith Vaz (Leicester, East) (Lab): I apologise for missing the start of this Adjournment debate, but I welcome the fact that the hon. Gentleman has raised the issue. The Select Committee on Home Affairs visited the school, although there were no children in it when we were there. Our concern is that the school dealt only with very young children. Children who were not of school age were at the centre and they could not be taught and had nothing to do. If we are looking at short-term facilities, the school is something that should be provided. However, Yarl's Wood remains essentially a prison.

Alistair Burt: Difficulties are involved in dealing with such a wide range of children. The staff do not know who is going to be there, and the children do not know how long they will be staying. Their taking any kind of formal course is almost impossible in the circumstances. We are really talking about child minding, and giving them something to take their minds off where they are. Children are children, and we can see them playing and doing the best they can in the circumstances, but they know where they are. They can feel their parents' distress, and none of us can take that away.

Jeremy Corbyn (Islington, North) (Lab): I am obliged to the hon. Gentleman for securing this debate, and for the sensitive way in which he has taken up the issue of Yarl's Wood. Like my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott), I have visited the centre. In his estimation, what is the long-term psychological effect on children who have spent any amount of time in what he correctly describes as prison conditions? It is totally wrong for any child to be kept in such conditions for any length of time.

Alistair Burt: From the professional opinions that I have read—including those of general practitioners and those involved in psychology and health—these conditions almost always produce an impact for the bad. Children have varying degrees of resilience, but detention has an impact on all of them, and the longer the detention, the more difficult this becomes.

The Minister will know that it is not a question of these children being held for a period of time then all automatically leaving the country. Many of them are returned to the communities from which they came, because of a change in the way in which their case is looked at. With what degree of certainty can they go back to their former lives? They will always be wondering when the Benefits Agency will come knocking on the door at 6 o'clock in the morning to take them away again. I am sorry to put it that way, but it is true. Early morning removals are, as the Minister knows, part of the practice of the Benefits Agency, unless things have changed recently. Understandably, that also adds an element of fear.

I shall return to these points briefly at the end of my speech when I acknowledge the difficulties involved, but I shall leave them with the Minister for the moment. I want briefly to mention two further issues. The first involves ex-foreign national prisoners. There is a mixture of women detainees at Yarl's Wood, many of whom have had no contact whatever with the criminal process. They are purely asylum seekers who have been detained. Some, however, have been in prison and are being held at Yarl's Wood before being returned to other countries.

This poses a particular problem. Those women might have been held in prison for some time before being taken to the centre for an indefinite period. They also have complex lives. They might have partners outside, and they might have been separated from their children while they were in prison. They are now being separated from them again while they are in the centre. Some would say that criminal cases should be looked at quite differently, and I can understand that, but the same frustrations can arise. If their cases are not dealt with swiftly, further damage can be done. It is important to look at that particular category of case.

I also want to mention health issues. I want to pick out a further quote from the latest report by the independent monitoring board, if I may. I have some time, so I shall give the House a couple of examples. The 2009 report stated:

> "Another example is that of a child with sickle cell anaemia, who had a letter from his specialist explaining that his mobility was severely limited by pain. His mother was engaged in a dispute with Healthcare"—

at the centre—

> "as to whether he should have to attend the clinic to take his painkillers, rather than have them brought to the residential unit. Leaving aside the question of whether a child with such a serious condition should have been detained, we felt that this dispute should not have been permitted to arise and, further, that it illustrated a scepticism which has a detrimental effect on patient care."

The report also states:

> "A...more general consequence is the existence, as we see it, of a culture of scepticism about detainees' medical conditions. A detainee who had suffered a stroke whilst in prison was brought to Yarl's Wood at the end of her sentence in July 2008. There was a degree of doubt, particularly on the part of UKBA at the port, about the extent of her disability, with the result that there was some delay in providing the necessary equipment and services for her care. The need for physiotherapy was not recorded by Healthcare until two weeks after her arrival and did not start, as we understand it, owing to issues over funding, until more than one month after her arrival. Officers and UKBA staff locally did their best to care for her and to source the necessary equipment, but were confronted with scepticism about her condition, and with disputes between the relevant authorities over funding."

On a number of occasions, I have raised the issue of the independence of the health care offered at Yarl's Wood. The contractors—either Group 4 or Serco—have the responsibility to commission the health care, but I think that is wrong because the independence of the health care is inevitably compromised. Wishing no ill will on anyone involved, it looks difficult. Circumstances often arise where there is a dispute over the condition of the detainee between the contractor's health care officer and another specialist or other doctors outside.

Yarl's Wood exists to enable people to leave the country. If there is an issue about fitness to travel and the decision is made by a contracted company inside Yarl's Wood, what chance is there of having confidence that it has not been influenced by the contract given to the contractors to get people out of the country? It puts the medical staff in a compromised position. As on Monday, there is a dispute between those outside Yarl's Wood, who have heard reports from detainees about what happened, and those inside as to whether anyone was injured and whether any medical assistance was available—it is all run by Serco. I have little doubt that what I am told by Serco is the truth, but there are others who will be more sceptical than me. A degree of independence in respect of the health care provided at Yarl's Wood is now necessary. That would happen if the contract were not given to Serco, but to the NHS and the local primary care trust. Then we would have the necessary degree of independence and it would cover children, as well as HIV treatment when people with HIV have to leave the country. I believe it would be safer for the medical staff, for detainees, for Serco, for the Government and for everyone if such a degree of independence were there.

Finally—I appreciate the House's indulgence; I was fortunate to have this amount of time for my Adjournment debate—I have not mentioned fast-track; I have not mentioned escort services to and from Heathrow; and I have not mentioned the continuing presence of rogue legal advisers who fleece the most vulnerable and take money from the rest of us by the way in which they handle cases. I could have mentioned a variety of other things. Yarl's Wood comprises a mixture of women with different histories, and the public may feel more sympathy for some than others. I am afraid that there is an alarming tendency in modern Britain to judge all in Yarl's Wood as being the same, and for that judgment to be harsh.

I pay tribute to those who work with detainees: the independent monitoring board, the befrienders, and even some outside groups whose political views I do not share, as they would say no to borders and have no immigration controls. I pay tribute to them for their interest in, and care for, those who would otherwise lack a voice. A society that rightly protects its borders and that may need to detain and deport has a clear obligation to act justly, fairly and transparently to those involved and to hear the voices of those under lock and key—above all, those of the innocent children caught up in matters beyond their comprehension, which may mark them for ever.

[Alistair Burt]

None of these issues is easy; none of the problems on the Minister's desk is capable of an easy solution. It may be that the legacy of all we have spoken about passes shortly from the Minister's side of the House to mine—and the problems will still be there. I feel that although Yarl's Wood has come a long way, two or three more changes might make a difference. I would be grateful if we could start with a clear decision on health care. I would also be grateful if the Minister enlightened us about how the pilot projects with children are going and I would like to hear how she reacts to some of the issues that have been raised in frustration by detainees. For the benefit of all of us, the safe and secure immigration system that we all need demands clear and straightforward justice for those involved. There are still problems in the system that badly need dealing with. I look forward to hearing the Minister's response.

6.28 pm

Patrick Hall (Bedford) (Lab): I thank the hon. Member for North-East Bedfordshire (Alistair Burt) and the Minister for allowing me to make a short contribution to the debate. I congratulate the hon. Gentleman on securing it. I agreed with all the substantive points he made, particularly about the need for independence on health care, preferably through the national health service. In the interests of fairness and balance, I would like to pick up on one point that the hon. Gentleman raised at the beginning of his contribution: the huge backlogs in the asylum system were growing in 1997 when Labour came to power; they were not invented by this Government.

The Yarl's Wood immigration removal centre is located about 4 miles from Bedford, so for a number of reasons I have a constituency interest in the subject, to which the hon. Gentleman has already alluded.

In my short speech, I shall focus on the detention of children. Increasing concern has been expressed about that by a number of organisations, including all the children's charities. In 2008, Anne Owers, the chief inspector of prisons, drew attention to the negative impact of lengthy detention on children's well-being, and more recently the Children's Commissioner made some hard-hitting remarks. Last November the Home Affairs Committee said that detention should be short, and a last resort. Public awareness has also been boosted by Juliet Stevenson's "Motherland". I was pleased that, at my instigation, it was performed in Bedford last month to a packed Civic theatre.

Alistair Burt: I am sorry—I forgot to mention that, and I am glad that the hon. Gentleman has done so. It was an extraordinary production. Juliet Stevenson and her colleagues presented a series of stories of children who had been caught up in detention, excellently and, as the hon. Gentleman has said, to a packed theatre.

Patrick Hall: Along with others, the hon. Gentleman and I engaged in a question-and-answer and discussion session after the performance.

Under the Borders, Citizenship and Immigration Act 2009, the UK Border Agency must conduct its work in a manner that upholds the welfare of children. That means, to me, reducing detention and developing community alternatives to it. I have written to my hon. Friend the Minister expressing my view that, in an ideal world, families with children would not be detained at all. I accept that in some exceptional circumstances it may be necessary to detain them just before removal, but only because it is in the interests of children not to be put into care and therefore preferable for them to remain with their parents.

I realise that my hon. Friend, and indeed any Minister dealing with such matters, has an extremely difficult job to do. Immigration control, let alone detention, is extremely challenging. It is in that spirit of understanding that I have asked the Minister to meet me—along with, I hope, the hon. Member for North-East Bedfordshire—to discuss how the detention of children might be significantly reduced.

6.32 pm

John McDonnell (Hayes and Harlington) (Lab): The hon. Member for North-East Bedfordshire (Alistair Burt) paid tribute to a number of organisations and individuals. Let me now pay tribute to him for the way in which he has consistently addressed this issue and widened it so that it has become more than just a constituency matter.

I want to discuss, very briefly, what has happened over the past week. There are two detention centres in my constituency, Harmondsworth and Colnbrook. There have been two riots at Harmondsworth in recent years. As some Members will recall, on both occasions there were fires, and on one occasion the centre was burnt down and had to be evacuated.

According to reports that I have read about the demonstration that took place over the weekend, there was some rough handling, and people were denied water and food. Regardless of whether such action is taken because people are in a particular location, I consider it inappropriate. That is why we are calling for an independent inquiry, and I urge the Minister to commission it as rapidly as possible. I agree that it could be based not just on witness statements, but on the closed-circuit television recordings that might be available. I say that because after the first riot at Harmondsworth a number of lessons were not learnt, or not learnt speedily enough, which led to a second riot that posed even more danger to both staff and detainees.

I would welcome the announcement of such an inquiry—conducted by Anne Owers or by someone else—and of a time scale for its report. I also echo the request for information on what has happened to the four detainees who were moved during the hunger strike. I should like to know what disciplinary action, if any, has been taken against them, and whether it has had any impact on their case.

Harmondsworth used to house children. I have visited it regularly over the years, from when it was a row of huts. It was then turned into a semi-prison housing 400, and now there is Colnbrook as well, on a similar scale. We have heard in our debate about the effects that detention has on children, and there have been studies that have shown the long-term emotional impact of even a brief spell of detention, but, as has been said, the figures demonstrate that children are being held for much longer than anyone promised. Even a matter of

months is an enormously long period in a child's life, and will have a significantly deleterious effect on their well-being.

I remember visiting Harmondsworth when there were children there. I remember in particular an occasion when the children did a project on what freedom meant to them, and I will never forget one of the statements from the children, which was that freedom is the sand outside the gates that they could look through. That has always stayed with me. No matter how caring the staff, the fact that these children are locked up—in effect, imprisoned—not only shames us as a society, but has drastic effects on their futures.

That is why, in principle, I do not believe we should be locking up children at all. I do not believe that is justified, and I believe that in a civilised society we should be able to find alternative means. Even I am critical of the pilots that have been developed, because they still have an element of intimidatory behaviour towards young people. At some time in the future, I would welcome a wider debate about the principle of the detention of children who have done nothing wrong. In fact, even the parents themselves are not criminals; they have not committed any crime, as such. In no other area of law do we detain children simply because they are with their parents. There must be alternative solutions that we can bring forward.

I also believe that we detain people in far greater numbers than is reasonable. Many of us have dealt with individual cases. They might involve people going to Yarl's Wood and then down to Harmondsworth, and then on to the airport and then back again, as people are dragged through a tortuous legal system. Most such cases involve people who, in the first instance, simply want to live in a country where their human rights are not abused and where they are not under threat of physical violence. In addition, most of them probably simply want to work—they simply want to earn an income that gives them a standard of living that lifts them out of poverty. That should be welcomed, rather than penalised by dragging them through the processes of the courts and then on to deportation.

Patrick Hall: Does my hon. Friend share my concern that attempts to obtain information about allegations of incidents that take place during episodes of transportation are sometimes withheld on the grounds of commercial confidentiality?

John McDonnell: My hon. Friend is right. It is extremely difficult to find out information on any of these cases when they are in transit. When dealing with individual cases, we often find, certainly in respect of Harmondsworth, that people are moved around the system and it is then very difficult to track them. My hon. Friend is right that commercial confidentiality has been used, and I must say that that is a result of the privatisation of the overall system, which I abhor.

First, I would like an inquiry to be conducted as a matter of urgency, and I would welcome information on that tonight, if possible. Secondly, I ask the Government to review the whole concept of detaining children. Thirdly, I ask the Government to review the scale of detention in this country, which we use against people whom I believe should be allowed to settle and contribute to our society.

6.39 pm

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I am grateful for the opportunity to speak briefly in this debate, and I congratulate the hon. Member for North-East Bedfordshire (Alistair Burt) on securing it.

People in detention centres do not have a vote and there are no votes to be won by paying attention to what happens in detention centres. Whether we are willing to debate seriously and pay attention to the conditions of people who are not citizens or voters is a test of this House and a test of our humanity.

I do not have a constituency interest in that I do not have a detention centre in my constituency, but, like my right hon. Friend the Member for Leicester, East (Keith Vaz), the Chairman of the Home Affairs Committee, and like some of my other hon. Friends, I deal with a huge volume of immigration casework.

Over the years, I have come to focus on what goes on at detention centres. I have visited Oakington and Yarl's Wood. Of course, one has to pay tribute to the staff working in them, but I have been in the House long enough to remember when the centres were set up and the assurances that MPs were given, which can be found in *Hansard*, that people would be held there briefly on their way to being transported out of the country. Issues that were raised then about the regime were brushed aside on the basis that people would be in the centres only for short periods.

As time has gone on, we have seen people being held for longer and longer. I believe that had MPs known when the idea first came before the House the length of time for which people would be held in the centres—and, in particular, the length of time for which children would be held there—MPs would have offered much more opposition to that proposal than they did at the time.

The hon. Member for North-East Bedfordshire touched on the issue of health care in detention centres. That is very important. One of the constant complaints one hears when one visits those detention centres and meets the voluntary groups that work with them concerns health issues and health care. It seems a simple step forward to allow the health care to be provided, as the hon. Gentleman suggested, quite independently of the private contractor that runs the detention centre so that there is no question of a conflict of interest or of costs being shaved. That would mean that detainees and their children could have absolute psychological confidence in the health care they were being offered.

Alistair Burt: I should have mentioned this in my remarks. Does the hon. Lady agree that one of the prime drivers for that is the fact that a number of women detainees come from backgrounds of violence, rape and torture and that there is often a dispute of opinion about what their background has been? The medical staff involved at Yarl's Wood or another centre might be compromised in their judgment of that background. In such circumstances, an independent element is vital.

Ms Abbott: The hon. Gentleman is quite right to make that point. There is often a dispute concerning women detainees and issues of rape and past sexual

[Ms Abbott]

violence. If the women detainees are dependent on a health care service that is commissioned by the private contractor, they will not feel confident, rightly or wrongly, in the health advice that they are given. I have had issues raised with me about the treatment available at detention centres for tuberculosis or HIV. Some detainees and advisers feel that they are not getting the best possible treatment because of attempts to cut costs or effort. I do not know whether that is true, but if the health care was independently provided the detainees and the people who help and support them would have more confidence in the system.

On the question of children in detention, as I have said, I have visited both Yarl's Wood and Oakington. When one looks at the little school and talks to the people who help with the children, one cannot help but leave impressed by their care and concern. There is a school there, and toys and facilities, but they are all behind walls and gates. To all intents and purposes, a young child in Yarl's Wood is in prison. How can they understand it when they are being kept there for months?

I know that the Minister is a mother. She will have a brief from her officials and she will talk to us about immigration control, but I ask her to imagine that it was her children behind bars. Are these the conditions that she would want for them? They would not be able to run completely free as far as they like, or to go into town to see Father Christmas, or to go into town to meet their friends. Are those the conditions that anyone would want for their child? Not for three months, not for two months, not for a month—not even for a day.

These children and their parents have committed no crime. They might be a threat to efficient immigration control, but they have committed no crime. Should they be kept in conditions that we would not want our own children kept in for 24 hours? I repeat that when the House originally debated setting up the detention centres, it had no idea that children would be kept in them for the lengths of time that they are.

Time and again, not only committed campaigners—I have the utmost respect for the committed campaigners with whom I and other hon. Members have worked—but people such as Anne Owers, the chief inspector of prisons, have voiced their concerns about holding children in such conditions. I have seen reports that officials whom I have met will certainly have seen, which the hon. Member for North-East Bedfordshire might also have seen, about psychiatric examinations of children. The people who examine and talk to those children elicit from them the stress and trauma that being transported to and held in detention centres has caused them. For people who have not read such reports, there is the remarkable production by Juliet Stevenson, which vividly brought home to many people who heard it on the radio or went to see it live what it means to children to be held in those conditions and to be taken away from their communities, school friends and schools to what is for them a prison for reasons that they do not understand.

Ministers must remember that the detention of such children is a phenomenon that has emerged without Parliament ever having explicitly said that that is what it wanted to happen. I agree with my hon. Friend the Member for Hayes and Harlington (John McDonnell) that we should not keep in detention children who have committed no crime and whose parents have committed no crime. Time and again, people have said that that practice puts us in breach of the convention on the rights of the child. I cannot believe that the Government cannot, in the 21st century, find alternatives.

I know what Ministers will say, because I have been doing immigration casework for 20-odd years. They will say that if we do not put people in detention, they will not return of their own free will, or they will cause problems. Detention at Yarl's Wood or Oakington is the end of the line in a system that, although Ministers have improved it greatly, still has too many blockages and still encourages people to feel that they can delay cases. The children whom Ministers feel forced to hold in detention are the victims of a system that still has too many delays. They are the victims of so-called immigration advisers out there who are still giving people poor advice that encourages them to hold on against all hope. Those children are the victims of what happens further up the system, but it all ends with a child who should be carefree and able to look out of the window as far as the eye can see being held behind bars in a prison for the purposes of others.

I have been privileged to meet families who are in detention in Yarl's Wood, including children and mothers, to hear their concerns. I have been privileged to work with campaigners down the years and I have brought these issues to the House's attention in other Adjournment debates. I must say to the Government that although focus groups and opinion polls will say that no one cares if we keep children in conditions that are in breach of their human rights and that there are no votes in this issue, we should be better than that. We should work towards a situation in which no child of an immigrant, even if that immigrant is here illegally and subject to immigration control, is kept by the state in conditions that we would not tolerate for our own children.

6.48 pm

Jeremy Corbyn (Islington, North) (Lab): I begin by paying tribute to the hon. Member for North-East Bedfordshire (Alistair Burt) for the sympathetic and humanitarian way in which he introduced the debate and for the very good work that he has done to draw attention to all the problems at Yarl's Wood over a long time. It is to his credit that he has done a great deal of work on that. He and I go back a long way, of course, having been Haringey councillors together.

Ms Abbott: Ooh! Too much information.

Jeremy Corbyn: There is nothing wrong with Haringey council.

The hon. Gentleman's humanitarian instincts are of the highest order, and I congratulate him on the way he has represented the issues concerning the detention centre and what goes with it.

We are dealing with a fundamental issue of human rights. As hon. Members have pointed out, the detention of children is something that we would condemn unreservedly if it were happening in any other country, or under any other regime around the world. Obviously, when I hear Ministers fulminate about the detention of children in other regimes, I join them in doing so, because the detention of children is fundamentally wrong.

My hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) was right to point out that we are signatories to the European convention on human rights and to the UN convention on the rights of the child. Indeed, there is a big monument in the middle of Hyde park that proclaims how well we treat children and how good our views about their treatment around the world are. However, we cannot hold our heads high and say we support international conventions if at the same time we detain children here. That fetters our ability to criticise regimes that, in respect of human rights, behave in a way we do not support.

Like my hon. Friend the Member for Hackney, North and Stoke Newington, I have visited Yarl's Wood. I am not here to criticise the centre's staff, because that is not the point of the debate. Nor do I wish to criticise how they work, as many of them are extremely caring and good people, but they are in an utterly impossible situation. They are given families with children to look after yet—regardless of the toys that they can offer or the activities that they undertake—the people involved are still locked up, as the hon. Member for North-East Bedfordshire was absolutely right to say. The prison key system with the doors that he described is always there, which means that people are not free to move around and travel. It is right to say that we ought to be better than that, and I hope that the Minister will give us some hope about what will happen in the future.

Another point that I hope the Minister will be able to answer when she replies to the debate has to do with the fact that people's experience of detention centres in this country is not a happy one. There have been many cases of disturbances, riots, near-riots, hunger strikes and protests. People in the centres suffer from utter boredom, and utter desolation because they do not know what is going to happen to them. The problem is especially severe for people who are faced with removal to regimes that will not accept them, because they end up staying in the centres for months on end. That is a cause of considerable concern.

I understand that there have been further demonstrations and a hunger strike in Yarl's Wood over the past few days. I should be grateful if the Minister informed the House about the current situation, and told us what representations she has received from other organisations and agencies.

Ms Abbott: Years ago, I used to work in the prison service as an administrator. My hon. Friend has talked about unrest in detention centres, but does he agree that, just as in prison, the secret to achieving a stable regime with no unrest is to ensure that people are treated in a fair and decent way? Does recurrent unrest not point to problems with the regime?

Jeremy Corbyn: My hon. Friend is correct, and one only has to recall the fire that took place at Yarl's Wood, and all the disturbances that have happened there in the past. Events like that tend to repeat themselves, so we have to look very seriously at the whole principle behind detention centres and particularly at how children are detained in them. I hope that this debate will give the Minister the opportunity to tell the House what is going on, as many of us are deeply concerned. Moreover, many decent and ordinary people in this country are ashamed that this country detains children.

My final point is that, like all colleagues in the House today, I deal with a very large amount of immigration and asylum casework. I am constantly astonished by the inability of the immigration service and Home Office officials simply to answer letters. Why can they not tell people what the state of their case is? For example, why am I expected to hand on a letter to a constituent that says that an answer to an inquiry I made two years ago can be expected only at the end of 2011, at best? That is insulting to the highest degree—to the intelligence of Members and to the people concerned.

We can hardly claim to run an efficient service if we detain large numbers of adults and children, and deny people awaiting a decision on asylum access to work, health care and benefits. If they get no opportunity to contribute to society but are able to lead only a marginalised existence, there is something badly wrong with the way the system operates. This debate at least allows us to draw attention to one of the symptoms of the problem—the detention of children in Yarl's Wood.

6.54 pm

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): It is fortunate that tonight we have a little more time to debate such an important topic than we would normally have in an end-of-day Adjournment debate.

I congratulate the hon. Member for North-East Bedfordshire (Alistair Burt) on securing the debate and thank him for his measured tone when discussing all the difficult issues associated with immigration and immigrant detention, and the particular issues associated with Yarl's Wood. I know that he takes a great personal interest in the centre, as does my hon. Friend the Member for Bedford (Patrick Hall). I am proud of the way that things have improved at Yarl's Wood. I do not have as long a history with the centre as the hon. Member for North-East Bedfordshire, but we all agree that there have been major improvements, and I am pleased that he acknowledged that.

The UK Border Agency has 11 immigration removal centres providing around 3,000 bed spaces. As the hon. Gentleman said, Yarl's Wood is the main centre for single women and families, providing 405 bed spaces, of which 284 are reserved for those who are part of the detained fast-track process—that is, people who enter the country and whose cases are dealt with quickly, increasingly within weeks or months of their arrival—and for foreign national former prisoners awaiting deportation. Although there are issues about how long that process takes, I will not deal with that today, as it is not the subject of the debate. I am happy to speak to the hon. Gentleman about the matter if he wishes, as it affects his constituency. Sixty of the rooms at Yarl's Wood, or 121 beds, are set aside for family accommodation in a dedicated unit, so they are separated from the prisoners.

Yarl's Wood operates in accordance with the detention centre rules 2001 and the UK Border Agency's operating standards. It is monitored, as hon. Members mentioned, by the centre's independent monitoring board. As the Minister responsible since December for this area of policy, I echo the hon. Gentleman's comments about the importance of the board's work. As a Minister, it is helpful to have independent advice and I welcome it. The independent monitoring board has free access to all parts of the centre in order to ensure that residents

[Meg Hillier]

are treated well. The board hears requests and complaints, and there is no attempt to stifle that. The centre is inspected by Her Majesty's chief inspector of prisons. The most recent inspection was in November last year.

Yarl's Wood, therefore, can hardly be called a closed place of detention. I appreciate what hon. Members said about doors being locked, but that is the nature of a detention centre. It is my intention, however, as the Minister responsible to be as open as possible about what we do there. We have nothing to hide about the way in which we treat those in our care. There may be a debate about whether we should detain families and children, but we are open about what we do. It is important to make that clear.

In the time available, I will attempt to answer all the points raised. Let us be clear about who is at Yarl's Wood. When we talk about the detention of children, it is not children on their own. It is children with their parents. The only case where we would ever detain a child on its own would be an unaccompanied asylum-seeking child, who might have arrived on a late night flight and who, for various safety reasons, would need to be held in a secure environment, rather than being released into any other facility. That would happen only in exceptional circumstances. Of course, it is not Government policy to deport children who are on their own.

Yarl's Wood is a place where children are detained only with their parents, and at any time the parents can choose to leave on a voluntary basis. It is those who refuse to leave on a voluntary basis who are at some stage detained at Yarl's Wood. Those detained are removable people whose case has been concluded—they have reached what we would consider to be the end of the line in legal terms—foreign national prisoners awaiting deportation, or those on a fast track. Barriers, as hon. Members said, are invariably legal or related to documentation. We do not generally hold backlog cases until they are removable. I can testify to that from my constituency case load.

Jeremy Corbyn: How many of the people held in Yarl's Wood are due for deportation, but the country concerned will not accept them back? What happens to them?

Meg Hillier: I will write to my hon. Friend with those numbers. We have issues with certain countries where documentation is difficult. I do not have the numbers to hand, but I know I can provide them and will write to him after the debate.

One of the issues raised—I apologise that they are not in perfect order—was when children are detained and how they are detained. I want to debunk some myths about what happens. We hear talk of "dawn raids", but that term is not helpful—we often hear it misused; it involves emotive language; and, in any case, we do not recognise it in practice. We carry out all visits to home addresses as sensitively as possible, and it is important that we do so, because otherwise there can be difficulties detaining children.

7 pm

Motion lapsed (Standing Order No. 9(7)).

Motion made, and Question proposed, That this House do now adjourn.—*(Mrs. Hodgson.)*

Meg Hillier: If a child or children are in a family group that is being detained, a member of the team will at all times be aware of them specifically, and their welfare will be that staff member's prime concern.

Alistair Burt: I am grateful for this line of discussion. Is the Minister saying that there are no early morning pick-ups of families and children? That would be quite new.

Meg Hillier: I am not saying that; I am saying that such activity would be avoided. I have pointed out that someone is always there to ensure that the child's welfare is maintained, but sometimes, to ensure that a family are together and therefore the child is not at school and detained at school, which would be worse, it is important to ensure that the parents are with the child. This is a challenging area, and I can go into some of my plans to look at other options as the Minister now responsible for the matter, but there are important issues about whether we keep children with their parents. I should not want children to be separated from their parents, and, importantly, we must recognise that as part of the issue when detaining children: the parents refuse to leave, and they should take some responsibility for the situation.

Several hon. Members mentioned the incident at Yarl's Wood on Monday. I shall give the House some information about it and then explain the next steps that I am taking. A number of women in the centre began to refuse to eat food in the canteen over the weekend in protest at their detention. They congregated in a courtyard and corridor at lunchtime for several hours. Staff maintained open dialogue with them about their protest, and by early evening the centre returned to normality.

The incident's handling is subject to a management review, and it would not be appropriate for me to comment or speculate on the outcome at this stage. I want to see the outcome before I consider whether any next steps are necessary. My hon. Friend the Member for Hayes and Harlington (John McDonnell), who has given me his apologies because he has had to rush off to a constituency engagement, made a number of points. He talked about a tortuous legal system, as did my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott), and I shall touch on that later.

My hon. Friend the Member for Hayes and Harlington also raised the issue of people wanting to work, but that is not Government policy and we do not contemplate either an amnesty or rights to work for those who are liable to deportation. It is important that we get that straight. The people at that detention centre and anywhere else in the detention estate are there because they have refused to leave the country voluntarily. Some have turned down generous packages of support and chosen to take the detention route.

I also contest my hon. Friend's suggestion that people are moved from one place to another to evade representation by Members—I think that is what he meant, although I was not quite clear about his point. People are not moved from one place to another except to facilitate deportation. They may be moved from Yarl's Wood to a closer centre prior to a flight, but they are not moved without reason. Commercial confidentiality relates to what we pay for contracts, not to individual detainees.

There is a degree of confidentiality in respect of detainees, just as there is on any other matter in the UK Border Agency, the Home Office or any part of Government, because we must ensure that we adhere to our data protection responsibilities.

My hon. Friend also wanted me to comment on whether there was any physical violence by staff towards detainees on Monday. I reassure him that there absolutely was not. The entire incident was witnessed by the independent monitoring board, which has raised no concerns, and captured on CCTV. Several hon. Members asked about that. The CCTV footage will be available to the IMB and management review. We have no secrets; there is nothing to hide in that respect. Let me also be clear that detainees were offered refreshment throughout. The four ringleaders are now in Colnbrook awaiting transfer to prison beds because of their disruptive behaviour.

Ms Abbott: My hon. Friend said that when immigration officials and other appropriate officials carry out their—I know that she deprecates the phrase—dawn raids, there is always somebody there who has the interests of the child at heart. Is she saying to the House that she is confident that these raids, with people being taken from their homes in this way, do not traumatise the children?

Meg Hillier: Clearly, any child going through this process will find it very challenging. As my hon. Friend rightly predicted I would say, the Government have certain responsibilities as regards immigration and immigration control. If she will wait to the end of my comments, I can talk to her about some of the work on alternatives that is under way. I also reiterate that parents have responsibility. As a parent myself, I have some responsibility for what my children do, what harm's way I put them into, and what situations they are in. Equally, parents who are facing detention or deportation have made a choice not to leave voluntarily; they therefore have some responsibility, and it is important to recognise that. I would not want parents to be taken away and children left behind—I would not support such a difficult situation.

Alistair Burt: I am grateful to the Minister, who is dealing with this very sensitively, but I would not like this point to go unanswered. Some of the parents are frightened about being sent back to where they have come from, and frightened for their children, so they fight to stay; that is their judgment. However, she is somewhat painting a picture that parents are making a deliberate choice to go into detention and have their children with them as if the alternative were an easy one. I would like her to recognise that for many parents, that choice is not easy at all. That is the dilemma in which they are caught and which the system has somehow to try to deal with.

Meg Hillier: I absolutely agree with the hon. Gentleman. His final comment is the main point: the system has somehow to deal with this dilemma, but many people will choose anything rather than willingly return to a situation. That can be for all sorts of reasons, and not just because they feel in physical danger. In the end, the parents make the choices that face them, however difficult they are, so some responsibility needs to lie there.

Ms Abbott: Will the Minister give way?

Meg Hillier: I am keen to make progress, because although I have quite a lot of time, I also have to respond to quite a lot of points raised in the debate.

As I said, we would rather not have to do this: we would much prefer that families left the UK voluntarily when the courts have upheld the decision that they must leave. Nearly as many families left the UK under the assisted voluntary returns scheme last year as were removed, so the incentive of having some money and support to resettle has had some impact. Families do not always take up our offers of financial and reintegration assistance, and in those circumstances we are left with a dilemma. Do we leave people where they are, as some of my hon. Friends would suggest, or do we seek to deport them? If we seek to deport them and they do not willingly wish to go, we find ourselves with no alternative but to use detention in order to enforce their departure—a fact acknowledged by the Home Affairs Committee in its recent report. We are considering alternatives, and I will touch on those towards the end of my remarks. That is partly why I want to make some progress. I would hate to run out of time and be unable to go into how we could consider proceeding in a way that might help to satisfy some of the concerns expressed by hon. Friends and hon. Members.

The decision to detain a family is not lightly taken—it is a last resort, and it is intended to be only for the shortest possible period once appeal rights have been exhausted, there are no outstanding legal barriers, and a flight has been booked for a few days' time. The welfare of any child is paramount in that process, and full consideration is given to all the welfare issues given that they are going to be in a different, and more difficult, situation from that of children not in the detention centre. As we heard, there is concern about children being taken out just prior to their exams. The timing of educational examinations, where known, will be taken into account before the removal process starts.

Although our intention is that detention will be short, lasting just a few days, unfortunately some families and their legal representatives, as my hon. Friend the Member for Hackney, North and Stoke Newington said, wait until they have been detained and given their flight details before submitting applications for judicial review. The vast majority of those applications are spurious and fall at the first hurdle. That fact is acknowledged not just by the UK Border Agency and the Home Office but by the National Audit Office and the Home Affairs Committee. That said, when removal is deferred, the decision to maintain the detention of a family is subject to a regular and rigorous control process, including ministerial review in the case of all children held for more than 28 days, a matter that I take very seriously. My two predecessor Ministers with responsibility for the matter took it very seriously as well. I call in officials to talk to them about individual cases when I have concerns. That is a serious responsibility that lies on my desk, and I recognise the human lives involved.

I will not go further into why we detain people, because I have spoken enough about that. We have touched on the issue of documentation, and sometimes establishing nationality and identity or determining whether an individual qualifies for leave to enter the UK can take time. That is particularly true of establishing nationality, because some individuals destroy their papers and their suspected home country will not accept them.

Ms Abbott: Will my hon. Friend tell me how many children have been held for longer than 28 days? She says, and I have heard a succession of Ministers in her position say, that the parents have made a choice and that that is why their children are in detention. Can she tell me of any other area of public policy in which we make children suffer because of the choices of their parents? The role of the state is normally to protect children from bad choices that their parents make.

Meg Hillier: I will provide figures in a little while about the number of children detained for different periods, but there are many areas in which children suffer because of the choices of their parents, such as when a parent is in a domestic prison. I have spoken to head teachers in my constituency who have known children who have come home from school to find that Dad or Mum has been in prison, which affects them massively. There are other matters on which children are affected by the decisions of their parents, and we do need to detain people on certain grounds.

Statistics were mentioned in the debate, and I wish to make it clear that what we provided in the IMB report was management information. Under the rules that now govern the release of Government statistics, we are unable to release figures unless they have been agreed by the Office for National Statistics, and we need to be careful about how we present them. I will therefore be careful with the information that I am about to present in response to my hon. Friend's question about the number of children in detention.

In the last quarter of 2009, 315 children entered detention. In the financial year 2008-09, 1,116 children entered detention and slightly more departed it—clearly some cases would have been in both financial years. Some 539 of those children, slightly fewer than half, were removed, and 629 were released. I should put it on record that those statistics are based on management information and are not subject to the detailed checks that apply to the publication of national statistics. They may include some double counting, as some children may have been detained, released and detained again. The average length of detention was 16 days in 2008-09, and for this year, 2009-10, it is slightly less so far. Of the children detained on 30 September 2009, 25 had been detained for seven days or fewer, five for eight to 14 days, five for 15 to 28 days and 10 for 29 or more days but less than two months. None was detained for longer than that.

Delays and backlogs were mentioned. They have been an enormous problem, but I know from my constituency case load as well as from my work in the Home Office that most of the backlog will be cleared by this March and the vast majority by 2011. We inherited a very big backlog, but there has been work to make progress on it and people are already coming to my surgery either facing deportation or having been granted their status. The matter will always be a challenge, and I would never say that it is resolving itself, but the backlog has been massively reduced. I do not have time now to go into the regulation of legal advisers, but the Government share the frustration at legal advisers who do not do their job properly and sometimes misadvise their clients. Let us be frank: they are playing games with people's lives. Since 30 April 2001, it has been a criminal offence for an adviser to provide immigration advice or services unless their organisation is registered with the Office of the Immigration Services Commissioner—an independent non-departmental public body set up under the Immigration and Asylum Act 1999—has been granted a certificate of exemption by that body, or is otherwise covered by the 1999 Act, which includes solicitors and others who are professionally qualified in the field. It is important that we maintain vigilance on that. I talk to many hon. Members who, like me, have large case loads, and we share their concerns. There is always more to be done.

I have answered a number of the questions that my hon. Friend the Member for Hackney, North and Stoke Newington asked, but she also mentioned delays and blockages in the system. I shall touch on alternatives in a moment, but when there is a request to extend a child's detention by one or two days, for example, I must take into account what would happen to them if they went back into the community, where they would go, their welfare, and what would happen if they were to yo-yo—go out into the community and return to detention within a day or two, with all the travel and upset that that involves, and the hopes that it would raise. I take that very seriously as the Minister responsible. I have sometimes decided that it is more acceptable to leave a child where they are, knowing that they are facing imminent removal, even if they go over a bureaucratic deadline. I re-emphasise that I take such decisions seriously. I must take into account all the advice and information I can gather on each case.

My hon. Friend the Member for Bedford asked whether he could meet me. I am happy to extend an invitation both to him and to the hon. Member for North-East Bedfordshire to talk them through where we are now, and keep them apprised of developments, particularly on alternatives.

Hon. Members have touched on a number aspects of child welfare. Section 55 of the Borders, Citizenship and Immigration Act 2009, which was introduced last November, placed a statutory safeguarding duty on the UK Border Agency. That has given us, and me particularly as the Minister responsible, an opportunity to examine and improve even further the safeguarding of children in our care. That measure was introduced at around the same time that I became the Minister responsible, so I am fortunate, because it gives me an extra opportunity to look at what we do.

Child welfare, which the hon. Member for North-East Bedfordshire touched on, is taken extremely seriously at Yarl's Wood. Robust arrangements are in place to identify any concerns. A multi-disciplinary team, including a social worker from Bedford borough children's services, reviews each child on a weekly basis. When a child's welfare is affected by their continued detention, a detention review is triggered, and we look to release that child and his or her parents. A regular children's forum, complemented by a new children-specific complaints process, provides children with the opportunity to give feedback on their overall experience of their detention, their transport and their stay at the centre. Their comments are important and are very much taken on board.

I shall not go through the long programme of steady improvements that have taken place at Yarl's Wood since Serco took over the operating contract in 2007, because, in all fairness, the hon. Gentleman has more than adequately explained them. Again, I thank him for his balanced tone in this debate.

I should like to correct a slight misapprehension from my right hon. Friend the Member for Leicester, East (Keith Vaz): all children are offered an education at Yarl's Wood. The school is available for children from nursery to A-level age, but, of course, it is not compulsory. Every time I review a child in detention and whether to extend that, I get information on whether they are engaging with school or nursery or whatever is appropriate, and why they do not attend if that is the case. They are important indicators for me and I need to make decisions on the basis of as much information as I can get. When the Home Affairs Committee visited Yarl's Wood, it was lunch time, which is why there were no children in the school, but the school is a good facility, as the hon. Member for North-East Bedfordshire acknowledged. The improvements have been acknowledged by others, including Sir Al Aynsley Green, the Children's Commissioner for England, and the independent monitoring board. However, we are not complacent and, as the Minister responsible, I certainly would not want to be complacent on this important issue. We continue to look to identify further enhancements.

Patrick Hall: On the subject of the improvements to the educational facilities at Yarl's Wood that have been brought about by Serco, I understand that each child is offered 30 hours a week tuition, but that is voluntary. For younger children, that provision is accompanied by a nursery that is open seven days a week.

Meg Hillier: That is indeed the case, but we are looking to improve facilities for 16 to 18-year-olds in particular, and we are creating a new kitchen and dining area to enable families to cook meals together, which we hope will help to maintain family bonds and a sense of normality—not to mention assist reintegration, whether in the country of origin or in the UK, even if only on a temporary basis.

The hon. Member for North-East Bedfordshire also mentioned health care. My primary concern is that detainees receive the right standard of care and support while they are in our care. I looked into this issue closely before today's debate. Good-quality care can be provided by the private sector as much as by the national health service. The health care department at Yarl's Wood provides a good standard of care, which is comparable to primary care found in the community. Of course, referrals to secondary health care would be within the NHS.

All the health care staff at the centre are caring, qualified professionals, and no less able to care for detainees than the national health service does in the community. Residents are all seen by a nurse within two hours of arrival, and given an appointment to see a GP within 24 hours unless the nurse believes an earlier appointment is necessary. Thereafter they have access to the service on demand. We also vaccinate children and provide support to expectant and nursing mothers—an issue close to my heart as I am one myself, and I have always been alert to the extra pressure that pregnancy can put on women in detention, especially if they have other children.

I should also point out that health care in all our centres is subject to the standards, audit and inspection programme by the Care Quality Commission as national health service facilities. Indeed only a few weeks ago, the commission was at Yarl's Wood inspecting the services there, and we look forward to receiving its report in due course. I shall make a particular point of alerting both the hon. Members with a constituency interest in that report when it is published.

We are ensuring that we have proper screening for mental health issues, so that anyone with a mental illness is identified on arrival, together with the best pathway for their treatment. That is important because, as hon. Members have pointed out, that can be one of the key hidden health factors for someone facing the difficulties of detention.

As I have said, we really do not want to detain children at all and would much prefer that families accept the decision of deportation on their case and leave the UK promptly—although if they accepted the decision they would of course leave voluntarily. However, while we do not currently envisage a position in which we would never detain—I would not want to go that far at this point—we are committed to exploring alternatives that at the very least reduce the number of families being detained while ensuring that they depart the UK promptly when required.

Following the Kent pilot, a three-year pilot has been running in Glasgow since June 2009. I know where it is because I passed the properties when I was last visiting the area—before I had my baby—although they were not up and running at the time. However, I will visit Glasgow next week to see it for myself and, if possible, to talk to some of the families, although that can be difficult, given that they are all in flats. The project is providing intensive support to families who have exhausted all rights to remain in the UK, helping them to confront the issues delaying their departure.

The 12-month pilot of the migrant helpline was in Ashford, Kent, and that was aimed at providing accommodation, health care, education and legal services to the families with no basis of stay. It has been acknowledged that that was not a success, with only one family departing under the assisted voluntary return scheme. We are learning the lessons of that scheme to take on board in Glasgow.

Alistair Burt: Were the suggestions made in the comprehensive report by the Children's Society, the Princess of Wales Memorial Fund and Bail for Immigration Detainees incorporated into the new project so that some of the concerns raised will not come up again?

Meg Hillier: We looked at a number of issues when we formulated the new programme. I am glad that the hon. Gentleman mentioned those organisations and others involved in this area, because I am keen to arrange a round-table meeting with some of those most passionately interested in the issue. Some outside organisations say, "Never detain a child", but we need to maintain an immigration system—that is the Government's responsibility and it is mine on behalf of the Government. I am keen to work with people who favour alternatives to see how we can shape those alternatives and ensure that they work and deliver outcomes that are better for the families and children concerned, while still achieving the ends of an immigration system.

We will accommodate four or five families at any one time for a process that lasts about 12 weeks, and the pilot will be evaluated by Barnardo's and the consultancy

[Meg Hillier]

firm Organisational Development and Support. So far, eight families have been through the project. One family absconded and a second has been removed forcibly. Thus far, there have been no voluntary returns, although two are currently pursuing the voluntary route. It is early days—we are barely more than six months in—but after my visit, I will happily let hon. Members know what is happening.

That is just one initiative, and more can be done, including in communities, because people do not necessarily have to go to special facilities. I look for support from the voluntary sector, especially those with an interest in this area, to prevent families from entering detention in the first place. I have only relatively recently been given responsibility for this area, but I am sometimes a little dismayed by the outside criticisms, which do not always suggest alternatives. It is the Government's responsibility to find alternatives, but I am keen to bring on board those who have concerns, and to discuss with them the practical alternatives and the role that they could play in helping those who are liable for detention to avoid it and to leave the country voluntarily.

The Government are committed to maintaining a firm but fair asylum and immigration system, and the departure of those who do not have a basis to stay here is the most important element of that. It is only fair. I am also responsible, with another hat, for those whom we take from UN refugee camps around the world, many of whom are vulnerable and have been in camps for 20 years. If we allow only people on our shores to stay—because they have made it here—we can lose sight of our wider humanitarian responsibilities as a responsible nation. It is important that we recognise their needs as well.

I hope that the hon. Member for North-East Bedfordshire and my hon. Friend the Member for Bedford will join me in calling for those who are critical to work with me. That is a genuine offer. I want to see how we can work together to ensure that these alternatives work and result in a reduction in the number of children with their parents in detention.

I thank the hon. Member for North-East Bedfordshire for raising this debate. We have been fortunate to have a good length of time. The welfare of those in our care is at the heart of what the UK Border Agency and Serco do at Yarl's Wood. It is a challenging area of work, the staff do a good job in difficult circumstances, and I know that he recognises the progress that has been made. We are not complacent, however. A continuous programme is needed to look at how we can improve areas of service at Yarl's Wood and to look at alternatives to immigration detention.

Question put and agreed to.

7.28 pm

House adjourned.

Westminster Hall

Tuesday 2 February 2010

[MR. EDWARD O'HARA *in the Chair*]

Population and Immigration

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. George Mudie.)*

9.30 am

Mr. Nicholas Soames (Mid-Sussex) (Con): I am grateful for this opportunity to debate the impact of immigration on the population of the United Kingdom—a debate that needs to happen more regularly. I called for the debate because our country truly faces a turning point of historic proportions, which will profoundly affect the future of our children and subsequent generations.

In fact, this is a crisis, of which members of the public are instinctively aware and about which many of them are rightly uneasy, but the Government are in almost total denial about it. I refer to the impact of mass immigration on our population, which will inevitably have the most serious consequences for our public services, our environment, our quality of life and even the future stability of our society. In some places, that is clearly already the case.

I want to deal with three issues: first, the reliability and relevance of population projections; secondly, the impact of population growth at the projected level; and thirdly, the measures that the all-party group on balanced migration, which is co-chaired by me and the right hon. Member for Birkenhead (Mr. Field), wishes to see put in place to tackle the problem.

First, on population projections, I regret to say that the Minister of State has become increasingly wild and incautious in his remarks as the debate has developed. In a recent article for the *Sunday Mirror*, he said—this is a particularly vulgar quote—

> "If Cameron wants to put a cap on our population, then he'd better start issuing condoms, getting euthanasia clinics in place or even introducing a Chinese style 'one-child' policy."

This is much too serious an issue for it to be a matter of "Cameron", even in an election year. The facts should not be politicised in that way. That is why I and others formed the all-party group—it now numbers 40 Members, some of whom, I am grateful to say, are in the Chamber this morning—to press for an objective, careful, rigorous and humane approach to immigration and for cross-party agreement on what must be done.

The Minister's approach also ignores the fundamental fact that if present levels of immigration continue, immigration will account for 68 per cent. of our population growth over the next 25 years. The reality is that immigration and population have become inextricably linked. I regret to say that the Minister's remarks are a very unimpressive attempt to camouflage the failure of the Government's immigration policy.

Let us examine the facts. The Office for National Statistics—the official body responsible for these matters—projects that the UK population will reach 70 million in 20 years' time. The Government's response is to wriggle; they say that projections are not forecasts. Of course they are not, but they do tell us what is likely to happen in the absence of a major change of policy.

The Government also say, quite correctly, that some ONS projections have been wrong in the past. Of course they can be wrong, and the further ahead they look, the greater the risk of error. That is why the Government like regularly to quote a 1965 projection of the population in 2000—35 years ahead—which assumed that the baby boom would continue and which was therefore seriously wrong. However, on a 20-year time frame, the ONS has been accurate to within plus or minus 2.5 per cent. over the past half century. At the very least, that suggests that its projections should be taken seriously. It is absolutely intolerable, and an unedifying spectacle, to see Ministers attempting to rubbish the work of valued public servants just because it does not fit their political narrative.

What distinguishes our present situation from any other period in our history is the massive impact of immigration on the size of our population. The well-known waves of immigration in past centuries were not remotely on the scale that we are seeing at present. The Huguenot and Jewish immigrations were spread over about 50 years and amounted to only about 1 per cent. of our population at the time. The east African Asians, who have been so spectacularly successful here and who have integrated so well, numbered 27,000, spread over two years.

Net foreign immigration into this country is now at 21,000 a month. That amounts to nearly 1 per cent. of our population every two years—25 times higher than at any time in the last 1,000 years. As a result, immigration now heavily outweighs the other two factors—births and deaths—in terms of population change.

Peter Bottomley (Worthing, West) (Con): I ask my hon. Friend to reflect, either now or later, on how that net immigration of 21,000 compares with the number of people returning or coming from overseas and registering with GPs. That figure has reached 600,000, but the maximum number for people returning to this country is 69,000. That indicates that immigration is substantially higher than the Government's immigration figures suggest.

Mr. Soames: I am grateful to my hon. Friend, who makes an extremely important point. Of course, we are talking about not just those who register, but the large numbers who, as we know, do not register or appear in the figures.

Death rates are fairly steady. Birth rates vary more widely. Since reaching a historic high in the baby boom of 1964, the total fertility rate has fluctuated within a fairly narrow band.

Migrationwatch, which has done so much to raise the tenor and rigour of the debate, has done research for our cross-party group. It has done some calculations on the effect of varying the birth rate while holding the death rate and net immigration constant at the level of the most recent principal projection by the ONS. Those calculations demonstrate that even if birth rates fell to the lowest level for a century, our population would still hit 70 million, not in 2029, but in 2036. Of course, the likelihood of a fall in the birth rate is reduced by the fact that one in four births is now to foreign-born mothers, who have 35 per cent. more children on average than British-born mothers.

The conclusion, therefore, is inescapable: the only way to limit our population is to bring immigration down substantially. Indeed, it must be reduced from last

[Mr. Soames]

year's figure of 160,000 to 40,000 or less if we are to avoid a population of 70 million. It is also important to understand that failure to bring immigration under control will mean a continually growing population of well beyond 70 million, and even up to 80 million or 85 million, in the latter part of this century.

What is the Government's response? They tell us that immigration is already coming down, partly as a result of their new points-based system—"partly" is the word. Net foreign immigration fell by 80,000 between 2007 and 2008, the last year for which statistics are available. Of that decrease, 70,000 was due to a greater number of eastern Europeans returning home. That, of course, had nothing to do with the Government's immigration policy, because eastern Europeans are not subject to it. Even that decline is now in some doubt, however, because a Polish professor is suggesting that any return of migrants to Poland has been much smaller than British figures suggest. As for the points-based system, these are early days. We await the outcome for 2009 with interest.

What is clear, however, is that tier 4—students—is in serious difficulty. The BBC quoted a freedom of information request showing that the British high commissions in Mumbai, Delhi and Dhaka issued nearly 20,000 student visas between June and August this year. It went on to quote an Asian immigration lawyer, who said that

"the majority of these students are not genuine, especially from the Punjab. They come here to work in the guise of student visas".

He said that he was now worried that the problem is causing great resentment among the local Indian community who settled here in the 1960s.

"There is some tension in our community",

he said.

It is true that the Government have removed a couple of thousand educational institutions from the list of potential sponsors, but the checks on individual applicants are still far too weak. Perhaps the Minister will be good enough to tell us when we may expect to see the Government's review of student visas, which was originally promised for last December. While I am on the subject of the points-based system, I shall take the opportunity to commend the Government on one significant step forward—their proposal to introduce a second points-based system for economic migrants who decide that they would like to settle in Britain. That will introduce a welcome element of flexibility to the issue of work permits without, in the long term, adding to our population.

I have focused on the numbers because they are a vital element in the debate. They are what the Government seek to ignore or dodge, as the mood takes them. However, they cannot be dodged and must not be ignored. That brings me to my second topic—the impact of population growth at current and projected levels.

Population growth is already impacting on our schools. There is a rush to build more primary school places. Maternity units are affected; in some places mothers have to be turned away. Housing is also affected—nearly 40 per cent. of new households will be the result of future immigration. Housing is an increasingly serious problem. There is already a grave shortage, particularly of social housing, the waiting list for which in England has risen by 70 per cent. in seven years. We are told that there are still plenty of green fields in England and that only 11 per cent. of our land is built over. It may be so, but it certainly does not feel like that.

I want to offer one more, very important, quote:

"Great parts of this country are already over populated, the transport system is a nightmare and some social services are barely able to function. Yet the government remains in denial about the massive social implications of unchecked immigration, a piece of social engineering that might yet stand as the only lasting legacy of new Labour".

That comes from a lifelong supporter of the Labour party, a former editor of the *Daily Mirror*, Mike Molloy, writing in a newspaper last week. It is not a matter only of impressions. England as a whole is now, with Holland, the most crowded country in Europe. We are nearly twice as crowded as Germany and four times as crowded as France. One need only go to those two countries to see that that is the truth. The public understand very well that we simply cannot go on like this without a serious deterioration in our quality of life.

What more should we do? First, there should be an overarching political commitment to take the measures necessary to get immigration down. No single measure will achieve that. There is no silver bullet. Secondly, there should be a serious effort to tighten the chaotic state of student visas. As I mentioned, some bogus colleges have been eliminated from the list of potential sponsors, and those that can still sponsor students now have some new responsibilities. That is welcome, but the universities and colleges that issue the key document—the confirmation of acceptance for studies—are the very same bodies that have a clear financial interest in the admission of foreign students to the UK. We must return to a situation in which there is also a check by a UK-based immigration officer before a visa is issued, especially in countries of immigration concern. Those highly trained and exceptional immigration officers have the local knowledge that will help them to detect bogus applications—something that an admissions tutor based in Britain is clearly incapable of doing. On work permits, we would like the bar to be raised in the points-based system, at least for as long as we have 2.5 million of our own people unemployed in Britain.

That leaves marriage as the third major category. Clearly there can be no question of preventing genuine marriage by a British citizen to a foreign national, provided that both are of a suitable age—at present 21. However, the days when we could allow marriages to be arranged overseas for the purpose of immigration must now come to an end. It is not helpful to the individuals concerned, who can often come under the most severe and unhappy family pressure. Nor is it any help in integrating those communities into our society. It is time to move on—a view shared by many in the communities concerned.

The public are right to be deeply concerned. In a recent survey, 85 per cent. were worried about the UK population reaching 70 million, and 50 per cent. were very worried. They want a Government, of whatever party, who face up to the reality of the numbers and take firm and effective action in response. That is also what the all-party group wants.

Several hon. Members *rose—*

Mr. Edward O'Hara (in the Chair): Order. Many hon. Members want to participate in the debate. I ask hon. Members to bear in mind the fact that the Front-Bench speeches should commence no later than 10.30.

9.46 am

Mr. Frank Field (Birkenhead) (Lab): I want to begin by paying tribute to the hon. Member for Mid-Sussex (Mr. Soames). At a time when most people did not want to discuss immigration, he secured immigration debates in this Chamber and in the House. It was largely through his pioneering bravery that I, too, became more vocal in the debate. I am looking for slightly different answers to the questions that he poses. I hope that by the end of the debate, when we have heard all three party spokesmen, we shall have a clear idea of the programmes that will be offered to the electorate.

I also hope that, as this debate will probably be our last on the subject before the general election, all three parties might want to apologise to the country for what they have allowed to happen to it. I am not saying that the policy was deliberate at first, or that it was engineered, as suggested in the quotation used a moment ago by my friend, the hon. Member for Mid-Sussex. However, what appeared to be an open-door immigration policy has wrought havoc in many sections of our community, particularly among the poorest. As we are now in an age when we feel that we should apologise for what, in our current judgment, we see to have been appalling actions, even though we could not have had any effect on them, the electorate might welcome some more up-to-date apologies for what has happened to their country.

In some areas, Britain has changed. I do not blame the immigrants—the new arrivals, who came here to make a better life. I blame us, the political class, not only for not seeing that as an issue, or perceiving what the long-term consequences would be, although that was bad enough. I also blame us for a much more deep-seated failure to have any coherent sense of what the nation stands for. Because we did not have any clear idea of what Britain stood for, except for some vague and wonderful concept of our having always been tolerant—and I must say that my own experience does not lead me to believe that that was more than skin deep—we failed to take on from the Edwardian age what we now think it means to be a citizen of this country. None of us can blame the new arrivals, who were often invited by us to come here without knowing what we stood for and with no benchmarks to judge their standards by, for simply continuing to protect and promote the culture that they brought with them. The fault is not theirs, but it is certainly ours.

Bob Spink (Castle Point) (Ind): The right hon. Gentleman is right to mention tolerance, which is a great tradition of our country. Pressures on jobs, housing and public services have been mentioned, but a more marginal consequence of immigration is that our traditions and culture are under threat—by the increasing use of sharia councils, for instance. That does nothing to promote equality. We should not be tolerant of that.

Mr. Field: No, but think of what happens in Afghanistan. If the voters there feel that the "elected" Government cannot deliver common or garden justice, they will seek other forms to give order and principle to their lives. It is easy to get headlines by saying that we should not have sharia law here, but we ought seriously to consider why some people look to other ways of imposing discipline, order and fairness, and what lessons that might have for our widespread and more accepted judicial system.

First, as I said, I look for an apology from all three political parties. At worst, they participated in the silence while this great change was happening to our country. Secondly, they should apologise—*[Interruption.]* Hon. Members should not laugh. Immigration on this scale has forced down wages.

Damian Green (Ashford) (Con): I was not laughing, but snorting with derision. Immigration was fine when the right hon. Gentleman and the Government whom he supported were elected in 1997. There was nothing wrong then. The problem has arisen in the past 10 years. I know that an election is coming up, and that the right hon. Gentleman, for largely historical reasons, will be running as a Labour candidate and will therefore be supporting the Government, but for him to ask other parties to apologise for the mess created by his own party is a bit rich.

Mr. Field: The thought that I will be running "historically" as a Labour candidate has driven the Whip from the Chamber. Perhaps he is going to write it down on tablets of stone.

We have to make a distinction between the machinery left by the previous Government and the actual numbers. Indeed, one very good thing happened recently when the Conservative leader said that he wished to reduce net immigration to the levels of the early 1990s, not the late 1990s. Although I deplore what has happened since Labour came to power, I am not blind to the fact that the issue did not start with us; there was an acceleration in net migration under the previous Conservative Government.

Several hon. Members *rose—*

Mr. Field: I shall give way first to the hon. Member for Ashford (Damian Green) and then to my hon. Friend the Member for Bassetlaw (John Mann).

Damian Green: The right hon. Gentleman is being generous in giving way again. Will he acknowledge the simple fact that immigration has increased fourfold under the Government whom he supports? Many of his complaints about the pressure that immigration puts on public services, some of which I share—he and I do not disagree much about the solution—have come about in the past decade. To blame all three political parties is a bit rich.

Mr. Field: I shall continue to do so; the electorate will decide. I agree that there is a difference in policy between the Liberal Democrats and the Conservative party. The Liberals are quite open about having an open-borders policy, inviting in anyone who wants to come here. That has not been Conservative party policy, and it is certainly not our policy.

John Mann (Bassetlaw) (Lab): Does my right hon. Friend agree that there is a fundamental weakness in the assumption that led to the Conservative party's signing the Maastricht treaty and that underpinned the logic of the Treasury and the Bank of England—I do not mean politically, but as institutions? I am thinking

[John Mann]

of the assumption that the economy would benefit from cheaper and younger labour. Flawed economic logic has underpinned policies from both parties across the generations.

Mr. Field: I am grateful for all interventions, but particularly for the one just made by my hon. Friend. By allowing large numbers of unskilled labourers into this country, our immigration policy has fed the habit and weakness of British industry, which as a result has not taken labour upmarket and has not put a premium on high skills. All those crucial decisions for our economic future were put off because there was an endless supply of people; that not only meant low wages, but helped to beat down wages. It is those at the very bottom of the pile, who have had to bear the brunt of this wonderful, open competition, whom I wish to champion in this debate—to some extent, at least; it is not only they who concern me.

The third failure caused by our not getting to grips earlier with the number of people wishing to come here to work is that welfare reform was made even more difficult to accomplish; indeed, one might say that it was made impossible. Since 1997, more than 3 million additional jobs have been created, but the number of workless people of working age has fallen only from 5.6 million to 5.2 million. Given how the economy was expanding, it could not have been a better time to have pushed through welfare reform with a process of tough love, but we failed to grasp the opportunity; it was impossible to grasp it because of our immigration policy.

I hope that we shall hear what the political parties wish to put in their manifestos. The all-party group on balanced migration believes that it is necessary for all three parties to subscribe to two main proposals if we are to reassure the electorate that, late in the day, we are getting a grip on the number of people coming here. The first is that we need not only a cap, and some idea of the numbers that we think can come here to work and be assimilated, but a points system—the Government have decided to use one—as a way of rationing who should fill those places.

The second proposal is to break the link between coming here to work and almost automatically becoming citizens. In other words, we should welcome the proposals now being considered by the Government that people can come here perhaps for four years and then return home. That would be an advantage to them and certainly to the British economy. The idea that working here should automatically lead to citizenship has led to the long-term growth in population, as have the changes in the birth rate mentioned by my friend, the hon. Member for Mid-Sussex.

My last point is not to do with the all-party group on balanced migration. I wish to speak about something that I believe will come to dominate the next Parliament—the free movement of labour in Europe. We are now seeing the limits of and the strains caused by the free movement of capital. Perhaps before the general election, we will see the inner cabinet of Europe having to preserve their currency by taking over the main negotiations on Greek debt.

We are in an age that was never envisaged by those who told us that it would be good for us to sign up to the single currency. I pose a question. We hear all sorts of soft talk about countries such as Turkey gaining admittance to the European Community. Having free movement of labour among a group of western European countries that, generally speaking, have the same standard of living is a totally different proposition from having free movement of labour in a European Union where the standards of living are hugely different—so diverse that it is difficult to put the matter in arithmetical terms.

Although we would not expect the matter to feature in the coming election campaign, those who are lucky enough to be returned by the voters will need seriously to consider it. We should not do so under the guise of trying to attack the EU. Those who are sceptical—and those who are friends—of the EU need to look at whether a policy of endlessly increasing the borders of Europe will allow the free movement of labour that was envisaged in those early days, when there were only six core countries with similar standards of living.

Let me end by reading out the results of an immigration survey that is to be released tomorrow by the Townswomen's Guild, which has become concerned about the issue. Members will know that townswomen's guilds were established to reach those parts of the country that the Women's Institute did not touch, although now both organisations have much more of a joint membership.

The Townswomen's Guild asked its members what the levels of immigration should be in this country. I have to confess to the hon. Member for Mid-Sussex that the results do not totally support the position of the all-party group on balanced migration, which is anxious to get policy commitments from all three parties that will prevent the population rising above 70 million. Only 17 per cent. of a record number of members of the Townswomen's Guild who responded to the questionnaire thought that that was a satisfactory position. Nearly 80 per cent. sought a much greater reduction. More than 50 per cent. wanted no net migration and nearly 29 per cent. wanted no immigration whatever.

The membership of the Townswomen's Guild are part of the backbone of England. If we, as politicians who have represented such groups during this Parliament and hope to do so in the next Parliament, do not take seriously such a message, the game is well and truly up for democracy.

10.1 am

Mr. Mark Field (Cities of London and Westminster) (Con): I warmly welcome today's debate, and thank my hon. Friend the Member for Mid-Sussex (Mr. Soames) for introducing it. It gives us the opportunity to discuss openly the challenges that we face over immigration control. Unfortunately, as has been alluded to by both my hon. Friend and the right hon. Member for Birkenhead (Mr. Field), some politicians discuss this topic only when quick and populist headlines are required. That is regrettable because it reduces the legitimacy of immigration as an important issue to be discussed rationally and pragmatically. It also leads Government to produce confused and contradictory policies that are too lenient in some cases and too tough in others. Moreover, it fails to address the economic needs of our country, or prepare local authorities for the challenges on the ground. Most

importantly though, it isolates the British public who are left feeling that the only outlet for their worries about immigration is to be found on the extremes of the political arena.

Let me make it clear that our borders should be open, to an extent, to hard-working, skilled professionals from abroad, but closed to those who will not contribute or integrate. We should also look more favourably on those who play by the rules by firmly rejecting the notion of an amnesty on illegal immigrants.

Immigration is the single biggest issue in my inner-city constituency postbag. It gives me daily exposure to what is, at times, the chaos in the Home Office. I regret to say that because the Minister has been extremely helpful to me on a number of occasions, and has taken great care with some of the cases that have come through. None the less, there is a problem in the Home Office that may, within a few months, face my hon. Friend the Member for Ashford (Damian Green), so I hope that he, too, is listening to what I have to say. My team here at the House of Commons often despair at the day-to-day failings of the system. The last time I spoke in this House about immigration, I touched on a few specific cases. All too often the Home Office has failed to serve the correct paperwork in relation to deportation attempts. I shudder to think of the cost of each of those attempts.

Many cases in my daily postbag prompt the question why the Home Office is so desperately inept at enacting its own decisions. Bizarrely, while we seem to find it, at times, impossible to remove people who have no right to be here, employers in my constituency have untold difficulties in securing passage for some of the highly skilled migrants to whom they have offered jobs. Such employers have looked for personnel in the UK, but are forced to employ skilled people from abroad as the domestic pool cannot often fulfil their need.

Despite stumping up increasing amounts to make applications for visas or for leave to remain—the fee for a paper application is now £820 and the cost of a face-to-face appointment a staggering £1,020—highly skilled migrants and their partners inform me that they are facing ever longer delays. Once an application is made, and that cannot be for fewer than 28 days before a visa is required, passports are retained by the Home Office. Any attempt to request the return of such documents for travel or businesses purposes results in the withdrawal of the application and the loss of fees. Getting any information on a likely time scale is near impossible for a full 14 weeks after application, and there is very little accountability in the management structure. Business folk in my constituency now say that their international companies are choosing to recruit highly skilled global personnel for the German or French offices rather than negotiate with the unpredictable and costly British Home Office.

Two meetings I had yesterday with constituents about their particular cases lead me to believe that the Government are now deliberately delaying applications in the hope that the published immigration statistics immediately ahead of the general election will show a decreasing number of successful applicants. That is cynicism at its very worst.

The Minister for Borders and Immigration (Mr. Phil Woolas): I can assure the hon. Gentleman that that is certainly not the case, and would not even be possible. He has brought to my attention a number of problems with the system, and we are sorting them out.

May I just make a policy point? The hon. Gentleman talks about the highly skilled workers that fall under tier 1 and, to some extent, tier 2, which is where his own party's cap would apply. Does he support that policy? Surely that makes his point even worse given that tier 3, the unskilled workers, is suspended. In other words, there is a cap on that which is zero.

Mr. Field: The Minister makes a fair point, but I am trying to open up a broader discussion on immigration issues. Everything that I have tried to say reflects the somewhat schizophrenic nature of the Home Office, where known flouters of the rules are left to live freely, while individuals who contribute or could bring great benefit to the UK face a brick wall. The message that our immigration system sends out is completely askew. We must make it clear—perhaps I disagree here with my hon. Friend the Member for Mid-Sussex—that Britain is open to highly skilled migrants and hard-working international students, who will be ambassadors for this country in the decades to come, applying to legitimate institutions, and those asylum seekers and refugees willing to play by the rules.

Mr. Soames: I just want to make it plain that one of the most important proposals that the balanced migration group has put forward is that we must break the link between people coming to work here and people being able to settle here. That is key. Of course, they should come here; we welcome them and recognise that they have very important work to do. It is that link between coming to work here and settle here that needs to be broken.

Mr. Field: That is a fair point. I am saying that we have no idea who is coming into this country, and those who come here and stay illegally effectively settle. As things stand, there is a clear incentive for people to lie low for as long as possible and resurface only when they believe that they have a strong basis for staying here—a connection to a community, a family and relationships. The imposition of an amnesty would only reinforce that message. Although I have a strong relationship with the Mayor of London, and admire him to a large extent, I fundamentally disagree with him in this regard. Rewarding such behaviour goes against the British notion of fair play and would be a slap in the face to all those immigrants who have strived so hard to play by the rules, including the settled immigrant populations here.

I now wish to turn briefly to the very real practical problems that mass, unplanned immigration is causing on the ground. At 24 per cent., Westminster—my own local authority—has had the greatest proportionate increase in population since 2001 of any local authority in England and Wales. That is a problem because population figures as part of the census calculation for next year will form a key part of the equation used by the Government to distribute grants to local councils. Westminster city council has repeatedly warned the Government that current methods of counting migration are simply not keeping pace with modern patterns of population movement. The consequence sees the council locked into a three-year grant settlement that leaves it paying some £6 million each year for those unaccounted people

[Mr. Mark Field]

living within its boundary. As my hon. Friend said, the impact on services, such as housing, community protection, schooling and adult services, and on the quality of life in areas of high migration is significant. I warned about such problems in October 2008, which was well in advance of the forthcoming census, but Westminster city council maintains that despite our lobbying efforts, the 2011 census has still not been adequately tested for hard-to-count areas. Unless the Government address this problem urgently, I believe that they risk losing public good will, not only in Westminster but across the country, particularly in built-up areas, which would have serious consequences for the cohesion of our communities.

I should add that these types of issues are becoming more common for local authorities well outside central London and indeed any city centre. Although Westminster city council has a long history of dealing with some of the challenges of a hyper-diverse and hyper-mobile population, a new, unstable and diverse mix of residents is especially hard for suburban local authorities to cope with, which should be kept in mind by the Government.

The relatively clement economic picture that has existed until recently has allowed us to turn a blind eye to many of the problems that I have described; the right hon. Member for Birkenhead made that point earlier. However, a continued refusal to get to grips with the immigration system risks causing conflict in British communities which I fear will haunt us for decades to come.

Today's debate comes at a time when the British National party is garnering ever more support, despite the frenetic attempts of politicians to silence it. Not only do I believe that some of those attempts approach being undemocratic—we must remember that freedom of speech is a cornerstone of democracy—but they ignore the real reason for the surge in the BNP's popularity. The real reason is that the BNP is positioning itself not only as an anti-immigration movement but as an anti-politician and anti-consensus movement.

If we had always made room for sensible and rational discussion about immigration, we would have had an incentive to sharpen the immigration system and improve it, not only for the benefit of the indigenous population—white, black and brown alike—but for the benefit of those who are seeking new lives in the UK.

In my view, those who seek to silence debate on this topic by crying "racism" should be under no illusions about the current immigration system. At present, it is failing everyone—British companies, the taxpayer, legitimate migrants and illegal immigrants alike.

10.11 am

Mr. Philip Hollobone (Kettering) (Con): It is a huge privilege for me to follow three excellent speeches by three great parliamentarians—the right hon. Member for Birkenhead (Mr. Field), and my hon. Friends the Members for Mid-Sussex (Mr. Soames) and for Cities of London and Westminster (Mr. Field)—who all have very well deserved reputations in this House. Indeed, I believe that, in years to come, people will look back at the speech made today by my hon. Friend the Member for Mid-Sussex and regard it as visionary, for telling us what will happen and reminding us that politicians down the years have ignored the pleas of our nation on this issue, as the right hon. Member for Birkenhead also pointed out.

It is worth bearing in mind what we are actually talking about today, because the vision that my hon. Friend the Member for Mid-Sussex has set out is that the population of our great nation will rise to a staggering 70 million people in 20 years' time, up from today's figure of 61 million. Indeed, we will be able to cap our population at 70 million only if we do something about it; if we do not do anything the number will be far higher. So, even if we take action now, we will be bolting the stable door after a large part of the horse is already out of the stable.

That is a tragic situation for our country, because it means that there will be huge problems facing us in the next 20 years, which we will have to deal with. There is no way that we can keep the population at 61 million. Another 9 million people are going to be in this country, even if we take effective action now.

The issue is space, not race. The one positive benefit of immigration from the new entrant EU countries in the past few years is that we can start to talk about immigration once again, because now white people—essentially, the immigrants from those new EU countries are white—are immigrants too. I suspect that every Member in Westminster Hall today has been accused in the past five or 10 years of being racist, mainly by politicians on the left, because we dared to speak out about the wave of immigration affecting our country. However, because we now have a large number of white immigrants in this country, suddenly it is okay to talk about immigration once again.

The problem is the scale of the immigration—the number of people heading our way—and it is going to overwhelm our indigenous culture in ways that are frankly unacceptable.

At the crude end of the debate, the problem is reflected in talk about the burqa. I must say that I have huge sympathy with those who want action taken against people who want to cover themselves up in public. How ridiculous would the House of Commons be if we were all to wear burqas? How would Mr. Speaker be able to identify which Member to call next?

Mr. Frank Field: The voters might prefer it.

Mr. Hollobone: The voters might well prefer it, but it is the religious equivalent of going around with a paper bag over your head with two holes for the eyes. In my view, it is offensive to want to cut yourself off from face-to-face contact with, or recognition by, other members of the human race. We should certainly look at ways to tackle that issue.

There are other ways in which new entrants are not integrating into our society. Earlier this year, I was on attachment with the Royal Navy, and a member of Her Majesty's armed forces was taking me from one base to another. He was a young Muslim lad from the middle of Birmingham, and he told me on our journey that he has not been able to speak to his mother since he told her that he had decided to join Her Majesty's armed forces, because he has been completely cut off. He has lost contact with all his friends at home and he dare not go

back to the neighbourhood in which he grew up. Such is the alienation of immigrant communities in our country living in densely populated areas, often without proper contact with the British way of life as we have all come to know it. The reason for that alienation is the scale of immigration into our country at one time. If there are a small number of immigrants arriving and spreading themselves out across the country, of course there will be integration. But if there are large numbers of immigrants arriving in a small number of places where they often do not speak English or integrate into the British way of life, there will be huge problems.

There are other staggering statistics. I believe that I am right in saying that the official Department for Transport projections are that by 2025 there will be 30 per cent. more vehicles on our roads. Can you imagine that? At peak times now, London is almost at gridlock and small market towns such as Kettering, which would not have had a traffic jam 10 years ago, regularly have traffic jams at peak times. It is a nightmare to travel on the tube at peak times. Our trains are full, this country is full up and, as my hon. Friend the Member for Mid-Sussex said, we cannot go on like this.

I very much hope that the next Conservative Government will be robust in tackling this issue, because if we do not get it right our population will not just stop at 70 million—it will go even higher.

10.17 am

Mr. Andrew Pelling (Croydon, Central) (Ind): I congratulate the hon. Member for Mid-Sussex (Mr. Soames) on securing this debate. I am mindful of the fact that other Members want to speak too, so I shall limit my remarks.

The right hon. Member for Birkenhead (Mr. Field), who I have listened to in previous debates and who has influenced my thinking on immigration over the years, quite rightly made reference to the conspiracy of silence of political parties on this issue. That conspiracy had its impact on me during the last general election, when I put out a leaflet entitled, "Unlimited immigration?", to raise the issue. I found myself being eviscerated in the liberal press—Channel 4 and *The Guardian*—and indeed by my Labour opponents.

Subsequently, I think that we have seen a welcome change during this Parliament among politicians and there has been a willingness to talk about the issue. Furthermore, although I think that there has been acceptable criticism of the Minister regarding his comments in the *Daily Mirror*, he has engaged a great deal more with the country on this issue, which is important.

Bob Spink: In 2005, at the last general election, I called for illegal immigrants to be sent back immediately and my local political opponents reported me to the race relations board for doing so. That incident was covered widely in the broadsheet press. The case was eventually thrown out, but it illustrates how difficult it is for MPs to deal with this very real problem that people out there are thinking about; it is one of the main problems that constituents are thinking about. Our leaving a vacuum is the reason for the rise of the BNP, which is bad for our politics.

Mr. Pelling: I am grateful for my hon. Friend's intervention, because it prompts me to say two things. First, I did something that was probably a bit more mild-mannered than what he did. Well before the last general election, I happened to put a letter around about an issue with a planning application. The letter said that migration, as part of the London plan, influenced housing targets. I was called in by the police about that letter and the police said that if I put it out again, I would receive a caution. I felt that that was like being in a banana republic; it was not appropriate in terms of political correctness. Indeed, I subsequently made it an issue in the general election. Far too often, the police service identifies itself with one political party or another, which is a dangerous practice—and resonant, bearing in mind the experiences of the Conservative Front-Bench spokesman in this debate.

The hon. Member for Cities of London and Westminster (Mr. Field) referred to the British National party. It is not sufficient for political parties to call the BNP names. That has happened not here, but in my local press, in which a Conservative councillor described the BNP as vile. That may well be a fair reflection of some of the people involved in the BNP, but we must nevertheless come to accept that there is a rationality to some people's voting BNP and that we cannot curse them for doing so.

As a scenario, let us suppose that someone comes from a white working-class family on a satellite housing estate with limited access to work. They are out of work, partly because the state has not provided a good-quality education over the years. They find themselves on benefits and undermined by better-educated migrants. If they want to come off benefits, they will have to take a cut in pay. Perhaps the quality of employment would be so poor that they dare not risk coming off benefits for fear of not being able to get back on them again if they lose the job that they are given. Unfortunately, as a result of the conspiracy of silence that we as politicians have progressed, such people feel that the BNP speaks for them.

Therefore, it is vital that we address the issue of migration and discuss whether the policies proposed will be effective. Unfortunately, the Conservative party misleads the electorate by suggesting that a cap will be effective. Exceptions are inevitable, particularly those involving marriage and relatives, so it is not possible to say that a cap can be introduced whereby if we run out of spaces by May, people must wait till January next year to be considered for migration. A points system can be used effectively if politicians decide that migration should be reduced significantly, and that is what needs to be done.

In Croydon, migration is in many ways our business. The UK Border Agency is based there—I emphasise the important role of the Public and Commercial Services Union in its good and professional work force—and there is a strong tradition of tolerance. Recently a notice went up in the UKBA commemorating a lady called Mary Apragas, who spoke of the importance of protecting genuine asylum seekers, not just offering asylum. Our migration service plays an important role in that.

Asylum is a controversial issue in Croydon. It is a shame that the Minister has turned a deaf ear to our concern that extra pressures might be placed on our public services as a result of the closure of the Liverpool office and the concentration of walk-in asylum seekers in Croydon only. Will he at least concede that over the coming year we can measure the effects on a pilot basis?

[Mr. Pelling]

I appreciate that asylum figures have fallen significantly under the Labour Government, but they are nevertheless worthy of measurement.

Finally—I want to provide others with an opportunity to speak—it should be borne in mind that that point comes in the context of our belief in Croydon that the Office for National Statistics figures used for settling how much grant is given to local government may well underestimate our population by 36,400 if GP figures are considered. Some 26,000 national insurance numbers were given to overseas workers in Croydon over the past four years, which suggests that the population in Croydon is much larger than expected.

10.24 am

Mr. Julian Brazier (Canterbury) (Con): I am grateful that there are a few minutes left for two of us to speak. I have a few footnotes to the remarkable debate that we have had, which was led by the right hon. Member for Birkenhead (Mr. Field). I have a huge admiration for him. He has consistently pointed out that the scandalous expansion of our population has mostly afflicted the white working-class poor. They are the people who have paid the rate for it.

Having repeated that, I am afraid that the statistics do not bear it out. I was totting up the numbers in the House of Commons Library brief as the right hon. Gentleman was speaking. The average rate of net migration under the last Conservative Government was barely 13,000 a year. Under Labour, it is 180,000 on paper, but because there are no embarkation controls for most of that period, it is much higher in practice.

Mr. Woolas: I am not denying the hon. Gentleman's point, but those figures are for net migration, which is affected hugely by the number of people who leave the country, such as the 500,000 British people who go to live in Spain and so on. We must put the numbers into that context.

Mr. Brazier: The fact is that net migration was 180,000, even ignoring those who stayed illegally whom we do not know about. If examined closely, the figures for housing are actually much worse than they appear. In round terms, over the past five or six years, between 500,000 and 600,000 have arrived and between 300,000 and 400,000 have left. According to the Government's own figures, about one third of new housing is accounted for by net migration. It follows ineluctably that the whole requirement for new housing comes from gross migration: in other words, the natural growth in households is roughly balanced by emigration. Indeed, one of the reasons most frequently cited by people leaving this country is congestion and overcrowding.

I will make two other brief points; I hope to give my hon. Friend the Member for Isle of Wight (Mr. Turner) a couple of minutes to speak. First, the courts have been no friend to this country in the matter. I have several excellent English language colleges in my constituency, as well as the highest concentration of higher education students in the country. If a series of court rulings absurdly makes it impossible for us speedily to deport students who overstay, we will find ourselves in a ridiculous position in which a Government of any shade will be bound to react with ever more restrictive curbs. Of course, curbing the number of people who learn English will rapidly knock on to curbing the number of people who can come here to enjoy degrees, which would be bad not only for our universities but for forming links with UK plc, as many such people go on to become opinion formers.

My grandfather was an officer in the Indian army, the largest volunteer army in human history. It fought loyally despite including people from almost every known religion and a range of different ethnic groups. I believe strongly that it is possible for Britain to be a happy, assimilated and hugely diverse country, but we must learn lessons from countries such as America and Australia, which have a long history of immigration.

Everybody who comes in legally should be able to speak English. We should insist on it for people who arrive for marriage. We should tighten language controls. As my right hon. Friend the Member for Witney (Mr. Cameron), my party's leader, pointed out early in his leadership campaign, it is absurd that vast numbers of benefits documents should be translated. We should be teaching people English. We must move away from the idea of multiculturalism and, as well as curbing overall immigration numbers, return to the idea that we should all be of one company.

Mr. Edward O'Hara (in the Chair): I call Andrew Turner for the briefest of vignettes.

10.28 am

Mr. Andrew Turner (Isle of Wight) (Con): I thank my hon. Friend the Member for Mid-Sussex (Mr. Soames) for again giving us the opportunity to discuss this important topic. People's concerns about immigration have too often been glossed over or avoided altogether. If we are to prevent the rise of parties such as the BNP, whose values are anathema to Britain, we must place the issue at the centre of debate. People seek fringe parties not because they are inherently racist or bigoted; they do so because those parties heed their concerns as ours, across the piece, do not. We must re-orientate the debate to talk honestly of Britain today.

In a recent survey on the Isle of Wight, immigration emerged as the No. 1 issue. I am sure that that is so with members of the public in other areas, and with good reason. Of 498 respondents on the Isle of Wight, 10 per cent. agreed that asylum seekers should be allowed to work whether they were genuine or not, and 90 per cent. disagreed. It was agreed by 9 per cent. that illegal immigrants who have been here a long time should be given citizenship; more than 90 per cent. disagreed. It was agreed by 92 per cent. that politicians should be more honest about immigrants and how immigration affects our country. They felt that such issues were too important to not be talked about. Members of all parties must make it clear what their policies are. I am grateful that today we are at last getting into some of those issues.

10.30 am

Paul Rowen (Rochdale) (LD): It is a pleasure to serve under your chairmanship, Mr. O'Hara. I congratulate the hon. Member for Mid-Sussex (Mr. Soames) on initiating this debate. There have been many high-quality contributions, in particular that of the right hon. Member for Birkenhead (Mr. Field), for whom I have a lot of respect.

I will nail down clearly my party's policy, which is important given the coming general election. It is important that we all make it clear where we are going and what we need to do. I want to disabuse the right hon. Gentleman of his idea that the Liberal Democrats want a totally open door on immigration; that has never been the case. It is true that during the problems in east Africa and Asia, we said that we had to honour our obligations. I do not apologise for that. It is also true that during the debate on Hong Kong, we said that if passports had been issued, they should be honoured. However, at no stage have we said that there should be total, free and unfettered immigration.

We disagree with people who call for an artificial cap. We certainly disagree that concentrating on a certain population figure is the way to deal with the problem. That is not to say that we want to see the population of the country grow inextricably. Clearly we cannot have the levels of immigration we have had for the past 12 years. We want to see a concentration on this debate. I agree with the hon. Member for Cities of London and Westminster (Mr. Field) that we should focus on immigrants who bring skills that the country needs and who can contribute to the country, rather than on an artificial cap.

Mr. Frank Field: Is the hon. Gentleman saying that after the next election, the Liberals will be committed to taking all possible measures to stop the population going above 70 million?

Paul Rowen: We believe that the debate on population obscures the real issue. It is easy to say that there should be a limit of 40,000 immigrants a year or a population limit of 70 million, but we have to ask why there has been such a large explosion of people coming into this country. It is primarily because, in 1994, the Conservative Government dismantled the exit controls in this country. Even now, we do not have a proper idea of who is coming into and, more importantly, who is leaving the country. If identity cards are fully introduced, it will be 2014 before we have that information. That is why we have a problem.

Damian Green: I would hate to see the hon. Gentleman doing the Minister's dirty work for him. In 1994, the controls were taken off within the EU. In 1998, under this Government, the controls for the rest of the world were taken off. The 2014 deadline is for e-Borders, not ID cards.

Paul Rowen: Regardless of that, the fact is that both Labour and the Conservatives dismantled controls and therefore lost control of the system. We have always concentrated on having a workable immigration policy that is fair and clear for all who apply. It was very disappointing that the recent second report of the Home Affairs Committee found that yet another 40,000 cases have been discovered—probably in a cupboard—some of which date back to 1993.

Our concern has always been that the measures needed for a fair and effective immigration policy are not in place. First, the UK Border Agency must be given full powers as a working police force. It should not just deal with people as they come up to our borders, but work more closely with our European partners. I want the Government to sign up completely to the Council of Europe convention on human trafficking. Much can be achieved by working with our partners in Europe.

Secondly, we would increase the fees for work permits. Our fees are among the lowest and are particularly low in comparison with America and Australia. Rather than have a fixed rate, the fees taken would be a percentage of the salary. With highly skilled migrants, the problem for a company of paying the fee would be outweighed by the great benefit that the person would bring. We would use that money to help upskill people in Britain who do not have such skills.

Mr. Andrew Turner: Is it not the case that the Liberals would propose a route to citizenship for illegal immigrants who have been here for 10 years?

Paul Rowen: We do not support the policy of a complete amnesty for all migrants introduced by the Mayor of London, Boris Johnson. We have said that we will set up a path to earned citizenship, under which certain clear conditions must be met. That policy is based on clear economics. If we accept the London School of Economics figure that there are 600,000 illegal immigrants in this country and consider that it would cost £11,000 to deport each one, we are talking about spending roughly £7 billion on their deportation. Given that many of those people have families, have worked in this country and have paid taxes, providing that they have not broken the law—*[Interruption.]* If they break the law, they will be deported. That is the policy now and we support it. We support an earned citizenship route, not carte blanche amnesties.

Our policy is that there must be greater concentration on the points-based work permit system that has been introduced. As in Australia and Canada, we would extend that to a regional points-based system. In Canada, it is difficult for migrants, highly skilled or not, to go to Vancouver or Quebec because going to highly populated regions is discouraged. The effects of over-population on schools, hospitals and GPs in parts of London have been mentioned. A flexible points-based system that takes account of the population and employment needs in each region would be much fairer. That would be far better than the bald system set out by the hon. Member for Mid-Sussex of only 40,000 immigrants a year coming into the country.

Can you imagine, Mr O'Hara, Manchester City having to announce that Ronaldinho could not join the team because the cap on the number of immigrants for the year had been reached? My organiser, who is a Manchester City supporter, would be horrified to learn that because of a quirk of the system, a top football team could not recruit a highly skilled migrant. That is at the root of the problem with the balanced migration group's call for an artificial cap.

We want tight controls and for illegal immigrants to be deported. We want a system that is flexible, fair and responsive to needs. We do not believe that the proposals of the balanced migration group would achieve that. We want the extension of the points-based system to a regional level and for the UK Border Agency to have the powers to operate as a working police force so that it can undertake the work it is handicapped in doing because of the quirks of the system. If we can have that, immigration will be reduced. However, such a situation will not happen immediately because, having turned the tap on, we cannot suddenly turn it off.

[Paul Rowen]

I agree with the point made by the hon. Member for Mid-Sussex about the operation of student visas: that is an area of Government policy that has clearly failed. However, I also agree with the Home Affairs Committee that we do not need more legislation to make the system work; instead, more attention should be given to the administrative systems on the ground and delivering what is already in place. If that happens, we will have a policy that works and there will not be a breach of the 70 million population figure. I would rather concentrate on making the system work than on an artificial figure because, at the end of the day, if we do not get the system to work, we will not have a cat in hell's chance of maintaining that figure.

10.40 am

Damian Green (Ashford) (Con): My hon. Friend the Member for Mid-Sussex (Mr. Soames) has been tireless in pursuit of the belief that immigration is an important issue, and he was characteristically eloquent in expressing his views today. I begin by reassuring him and my hon. Friend the Member for Cities of London and Westminster (Mr. Field) that a Conservative Government would not introduce an amnesty either. We need to be clear about that.

For much of the debate, my hon. Friend the Member for Mid-Sussex talked about projections. Those projections inspire much of the fear that has caused the growth of extremism, about which hon. Members from all parties have talked. That projected increase is on a different scale from anything that we have seen recently. In the past 20 years, our population has grown by 4 million; over the next 20 years, our population is projected to grow by about 9 million, which is more than twice as fast.

I agree with the point, made by my hon. Friend the Member for Kettering (Mr. Hollobone), that it is the scale of the change that inspires many of the tensions. The Home Secretary has said that he does not lose sleep over Britain's rapidly rising populations. However, if we carry on like this, those trends will put huge pressure on our national infrastructure in key areas such as housing, public services and transport, and the problems will continue.

Population growth is clearly caused by a variety of factors and is a combination of higher life expectancy and higher net immigration. The Conservatives believe that it is essential to take action on the latter to ensure that our population changes and grows at a more sustainable rate. My right hon. Friend the Member for Witney (Mr. Cameron), the leader of the Conservative party, has stated that he does not support the thought of our population being as high as 70 million and said that the current level of net immigration is too high.

As several of my hon. Friends have said, we believe that Britain can benefit from immigration. We want the brightest and the best to come and work in this country, but we do not benefit from out of control immigration. Our policy is therefore to target reducing immigration, so that the figure for net immigration is in the tens of thousands, rather than the hundreds of thousands of the past 10 years.

That is the significant shift that we want to achieve because, as has been expressed many times, what has happened over the past 10 years has been unprecedented in our history. Let us consider the gross figures of people coming in—512,000 people came to the UK as immigrants in the year to 2008, which is little change from the 527,000 in the year to December 2007. So the recession has had less effect than one might think, and it seems that the underlying trend is a stronger factor than even the catastrophic economic situation in which this country now finds itself.

I turn to the challenge of what needs to be done, which was mentioned by the right hon. Member for Birkenhead (Mr. Field). A Conservative Government would take a number of steps to manage migration directly, based on four different policy strands. I very much accept the point made by my hon. Friend the Member for Mid-Sussex that there is no single magic bullet and that we must concentrate on the matter across the board to reduce the numbers. We would control economic migration through an annual limit on non-EU immigration, and promote integration—a point made by my hon. Friend the Member for Canterbury (Mr. Brazier)—through an English-language test for marriage visas. We would prevent abuse of the student visa system with tough reforms and we would tackle illegal immigration with a national border police force.

Mr. Pelling: The hon. Gentleman can freely attack me for being naive in asking this, but what would happen when the limit was hit, say, nine months into the year?

Damian Green: We are discussing that issue with business. We would put in place a quarterly release system, unlike the American system where there is just an annual release, which causes problems. Our system would mean flexibility within the year and the overall limit. I spend a lot of my time talking to business about how such a scheme would operate.

Let me deal with the issues in turn. I shall start with the matter of limits. There would be an annual limit on the numbers of people from outside the European Union allowed to come here to work. That limit would take into consideration the effects of a rising population on our public services, as well as the needs of business. Instead of ripping up the system and starting again—that would be disastrous in terms of the sheer administrative capacity, which has also been mentioned—we would build on the points-based system. That system is designed to make sure that people who are beneficial to this country come here.

We would add a second stage to the system. It would control numbers with regard to the wider effects of immigration on society. The figure would be calculated after an annual consultation exercise with a number of bodies—obviously including business, but also including the providers of those public services that are so directly affected, including local authorities. A further step that we could and would take to control immigration directly is the imposition of transitional controls for new EU entrants. Other countries applied them in 2004 and had fewer of the stresses and strains that we did, even in relation to that cohort of extremely hard working and, by and large, respectable and good people who came here from eastern Europe. We would apply transitional controls on any further expansion of the EU.

Of course, as well as having a better controlled immigration system, we need welfare reform and improved skills training, so that we are not simply ignoring millions

of British workers who do not have the appropriate skills. I pay tribute to the work of the right hon. Member for Birkenhead in that field. That needs to be the other side of the coin.

However, economic migration is only part of the story. A significant amount of immigration results from those coming to the UK for family reasons. In 2007, more than 42,000 spouses and fiancés came to the UK, of whom two thirds were female. Approximately 40 per cent. of those wives and fiancées came from the Indian sub-continent. Although we must, of course, recognise an individual's right to marry anyone they choose, we have considerable concern about the importation of young women, who are often from rural backgrounds and do not speak any English at all. Those women cannot play a full role in British society when they come here. They need and deserve better protection.

The Government's Commission on Integration and Cohesion's interim report found that:

"The most commonly identified barrier to 'being English' in our polling was not speaking English - with 60 per cent. of respondents identifying language as a key issue".

We all know that the inability to speak English affects not only the individual themselves, but their children. Everyone coming to this country must be ready to embrace the core values of British society and become part of their local community. A Conservative Government would introduce new measures for those coming to the UK as spouses, including an English language test to ensure that only those whose command of English allows them to play a full part in British life were able to settle in the UK.

For years, the Government have ignored warnings from me and my Conservative colleagues about abuses of the student visa system for immigration purposes. The Minister has taken some action on that but, as we know from the emergency action that the Government had to take over the weekend on suspending visas from the subcontinent, it is clear that the system is still in complete chaos. The Minister has been saying for a year that he is being tough on that issue, but almost every month he has to come up with new measures, because the system has failed and is continuing to fail.

We have suggested a range of measures that would lead to more effective control of the system, including a demand that those coming to institutions that we are not convinced are respectable should pay an up-front bond, which will be paid back only when that student leaves the country at the end of their course. That would be much more effective than the Government's action.

The fourth measure on preventing illegal immigration would be the introduction of a specialist border police force. Experience has taught us that the specialisation of police services is the most effective way of fighting new types of crime, and of all the specialist policing skills that this country needs; a specialist border police is needed more than any other. I hope that I have reassured my hon. Friend the Member for Mid-Sussex and other hon. Members across the House that a Conservative Government would make significant, radical changes in how this country deals with immigration and unsustainable population growth.

I want to say just a few words on extremism. People have said that we need to talk about immigration more to stop the growth of extremism. I think that it is action, not words, that will stop the rise of extremism: I mean a change in policies. The measures that I have outlined—an annual limit, a national border police force and an English language requirement—will reduce net immigration significantly and therefore have a significant and permanent effect on population growth in this country.

10.50 am

The Minister for Borders and Immigration (Mr. Phil Woolas): This has been a terrific debate, and I think that we all endorse the tribute paid to the hon. Member for Mid-Sussex (Mr. Soames). He is absolutely right that we must not only debate the matter, but have policy action on it. I commend him for that. I like to think that, as Immigration Minister and ever since I was elected to the House, I have shared his point of view: I have never accused a colleague or anyone outside the House of racism for raising the issue of immigration. Indeed, I believe that it is racist not to raise the issue, because that is patronising. Anyone who represents a constituency such as mine will recognise the truth of that statement.

I strongly agree, as do the Government, on the point made about the English language. Indeed, it was in a conversation with the then Home Secretary during the riots in my constituency that I was able to influence the Government to change our policy in that regard. It is the right thing to do by the immigrants—it helps them get on in life, which is what immigrants, on the whole, want to do.

It is also right to address the issue of extremist parties. We must not only debate the issue of immigration; the hon. Member for Kettering (Mr. Hollobone) made an intelligent point on that. I also agree with the hon. Member for Ashford (Damian Green) that showing the British public that migration policy is managed will enable us to talk better about how we can diminish discrimination.

Discrimination against immigrants is often fuelled by the perception—and in some cases, the reality—of a lack of managed migration, so if we are to achieve our goal we must do what we are doing. I sympathise with those Members who say that they have been attacked as racist for raising the matter, because that happens to me by the hour—and not just in liberal forums, but in communications from members of the public. That is the nasty underbelly of the debate.

I turn to points of policy. The Government agree that a population of 70 million is not desirable, but let me just pour some calm on that figure and examine where it comes from. The definition of an immigrant used by the Office for National Statistics, whose independence I respect, is, in my personal view, the wrong definition to use, particularly from the point of view of balanced migration, because its definition of an immigrant is someone who is coming to this country for 12 months or more. Therefore, the 512,000 figure to which the hon. Member for Ashford referred includes all the students who are coming here temporarily.

The largest group of immigrants, according to the ONS definition, are the British people returning home, who numbered 85,000 last year, and we must bear that fact in mind. We must get exactly to the heart of the policy of the all-party group on balanced migration to

[Mr. Phil Woolas]

address that fear, and we must do that by breaking the link between temporary and permanent migration. We need to do that, and our policies are driving towards that point, hence the two points-based systems and the changes to the route to citizenship. Surely it is right to measure immigration in those categories of temporary and permanent.

Mr. Brazier: Surely the Minister must recognise that his own Government's human rights legislation has driven a coach and horses through that otherwise laudable policy. The breach is just not there if the courts can say that even an overstaying student has his right to family life breached by being told to go home.

Mr. Woolas: I do not think that you would allow me to go into human rights, Mr. O'Hara, but if the hon. Gentleman looks at our policy, the challenges and how we are addressing the issue, he will see that that is part of the policy equation. However, his own party must come up with answers on that point as well. I will make another point to allay the fear about 70 million.

Mr. Frank Field: I want to underscore the importance of having a second stage and of cutting the link between coming here to work and then being a citizen. Until we establish that, is it not proper that the ONS definition should rule, because that is what actually happens now?

Mr. Woolas: I will move on to that definition. People talk about a projection. The ONS is not making a forecast on the population of this country. Indeed, in 1960 it projected that the UK population would be 76 million by the year 2000. Those figures come about because the ONS and the statisticians take the figures for the previous three years and project them forward over the next 20 years. Therefore, if we had a big influx of Poles over the 2006 to 2008 period, the projection is bound to go up. As the Poles are going back, that projection is now coming back down; interestingly, that is expressed by the year 2029, as opposed to 2028. It is true that previous projections have not been borne out. That is not to say that fears over population growth and the impact of immigration are unfounded; those two statements are not logically contradictory. That is why the policy proposals that we have put in place are already working.

The Opposition's policy is confused. They talk about a cap on net migration, but one cannot cap net migration without restricting the movement of the British people going overseas. Around 700,000 of us live in Spain, and around 500,000 of us live and work in Germany, so the net migration figure is a function of people moving out and people moving back. The cap on migration that they talk about, as the hon. Member for Rochdale (Paul Rowen) pointed out, is in reality only a cap on tier 1 and tier 2, which makes up one seventh of immigration—and they are the very people whom the hon. Member for Cities of London and Westminster (Mr. Field) needs in his constituency to fuel British commerce. Therefore, that policy is based on a false premise.

Mr. Pelling: In all practicality, is there really that much difference between the two main parties' migration policies? Will the Minister also refer to my earlier point about the asylum seeker centre in Croydon?

Mr. Woolas: The difference between the policies is that ours is workable. That is the reality. The introduction of electronic border controls and the foreign national ID card has done more, and the numbers are coming down. The significant increases in migration to this country followed the Commonwealth Immigration Act 1961 and the Immigration Act 1971. The people in the ghettos to whom the hon. Member for Kettering referred were not brought into the country by this Government. They were brought into my constituency by the 1961 Act and 1971 Act and the failure of the British Nationality Act 1981, so the problem is not a party political one in reality.

The workings of our policy can be evidenced by what is happening in Croydon. I shut the Liverpool office so that new applications would be dealt with in Croydon while fresh applications, which in my view are sometimes not robust, would be dealt with in Liverpool. The asylum intake is an important part of net migration to this country, and asylum applications are now at their lowest level—[Hon. Members: "It was tiny!"] It was not tiny. It was 29,000 10 years ago. It is now at the lowest level since 1993. It is not tiny. It is actually just under the total level of tier 1, which is the only thing the proposed cap would address.

I agree with the analysis of the hon. Member for Ashford on the numbers of family members, although they also tried in 1961 to put a cap on the immigration from the Indian subcontinent. It is easy to say that, but one has to have a policy to do it. The English language test for spouses, which I proposed, is coming in, as is the use of English for visa applications.

As for the point on students, as we clamp down on students and close the 2,000 bogus institutes, of course organised and disorganised people will try to get around things through scams, which is why I have closed those visa offices. It is because we have the new system that I can.

Mr. Edward O'Hara (in the Chair): Order. We must now turn our attention to the Thameslink programme.

Thameslink

11 am

Patrick Hall (Bedford) (Lab): I am pleased to have secured this Adjournment debate about planned major improvements to a transport route that is of considerable importance not only to many of my constituents in Bedford and Kempston but to hundreds of thousands of other people along the route and those who use its many connections. It is also crucial to the economy of London and a wide area north and south of the capital.

Since I first sought this debate, we have unfortunately experienced the serious deterioration of the rail service operated by First Capital Connect. Therefore, before completing my presentation, it would be entirely remiss of me not to take the opportunity to raise some points about that, not only to reflect the inconvenience suffered by my constituents and others but because what has happened raises some legitimate questions about capability to deliver the much improved service to passengers promised by the Thameslink programme. I shall return to those matters later.

I am pleased to see many hon. Members present for this debate, especially fellow members of the all-party Thameslink route group—my hon. Friends the Members for Crawley (Laura Moffatt), for Brighton, Pavilion (David Lepper) and for Luton, North (Kelvin Hopkins), and the hon. Member for Orpington (Mr. Horam)—and others such as my hon. Friend the Member for Derby, North (Mr. Laxton). I apologise for not referring to the others who are here. I do not think that they have signed up to the all-party group, but they can do so later.

Some of us have benefited from opportunities to inspect aspects of the Thameslink programme works, for which we are grateful to Network Rail, First Capital Connect and various construction companies. The Thameslink service has become such an accepted part of the transport infrastructure of south-east England that it is easy to forget how relatively recently it came about. The electrification of the midlands suburban route between St. Pancras, Moorgate and Bedford had already been started by a previous Labour Government in the late 1970s, when the idea of joining it up with what was then known as the Southern region began to be discussed.

British Rail engineers devised a plan to reopen the Snow Hill tunnel route between Farringdon and Holborn Viaduct stations, a route that had not seen a passenger train since Lloyd George was in Downing street, and from which the last freight service had been withdrawn in 1970. The plan initially was for some kind of shuttle between West Hampstead and south London, but the project eventually grew to become Thameslink: a full-blown network of services linking Bedford and Luton in the north with Gatwick and Brighton in the south via the City of London, with an additional loop serving Wimbledon.

Mr. Andrew Pelling (Croydon, Central) (Ind): I apologise that I am not a member of the hon. Gentleman's all-party Thameslink route group. Someone who represents East Croydon station should definitely be a member of such a group. Would he agree that the small public sector investment in that station was important because it ended up relieving a great deal of stress and strain in terms of cross-London passenger traffic? Does that not emphasise how important it is for the Government to continue to be supportive of such initiatives? Huge amounts of money are being proposed for Crossrail, but north-south movements are just as important as east-west movements in the whole south-east and London area.

Patrick Hall: The hon. Gentleman anticipates my comments, although I shall not speak against any other project. Crossrail is important as well, but I agree with the fundamental point that we must commit to this programme, and I will say so later on.

I shall give a little of the history, because it is sometimes helpful to put things in that context. A special fleet of dual-voltage trains was ordered from British Rail Engineering which were able to draw electrical power from overhead cables north of Snow Hill and from the third rail to the south of it. Full service was introduced in 1988 and became an immediate success. Indeed, we all recognise that it quickly became the victim of its own success: overcrowding and standing room only became the norm at peak times. I would have liked to illustrate that with passenger numbers for 1988, when the service started, for 2000 and for last year, but, unfortunately and unacceptably, I have been informed that the Department for Transport will not release such figures on the grounds of commercial sensitivity.

Whether overcrowding is official or not, commuters on the Thameslink route certainly have good reason to feel that they endure unacceptably overcrowded conditions at peak times. The Bedford to Brighton line features in the top 10 most crowded in every survey. Indeed, some research by Network Rail has revealed that 50 per cent. of regular peak-time Thameslink users claim that sometimes the train is so full that they cannot get on it at all. *[Interruption.]* Like London underground.

Overcrowding was recognised by British Rail, which sought to address it and to widen the scope of the Thameslink service through the Thameslink 2000 programme, which, unfortunately, became mired in the fallout from the chaotic privatisation of the railways and also the complexity of dealing with issues around the Town and Country Planning Acts, especially in south-east London. But, eventually, thanks to the hard work and determination of many, mostly in the public sector, and the robustness of the business case itself, in 2007 the Government were able to give the go-ahead for the Thameslink programme.

The main part of the Thameslink route covers 140 miles of railway and 50 stations between Bedford and Brighton. It interchanges with major rail hubs at St. Pancras and London Bridge, plus international airports at Luton and Gatwick. The core section, from St. Pancras to Blackfriars, carries more passengers than Heathrow airport every day. The Thameslink programme aims to deliver a massive increase in rail capacity through longer trains and high-frequency services, and, in so doing, should indirectly help to tackle overcrowding on other railway lines and parts of the London underground.

Mr. Mark Field (Cities of London and Westminster) (Con): The hon. Gentleman rightly makes the case for the benefits of extending Thameslink to each and every one of the 50 stations from the Sussex coast up to mid and, indeed, north Bedfordshire, but does he recognise

[Mr. Mark Field]

that ensuring that we have sufficient capacity in the centre of London—this obviously applies to the Crossrail debate as well as to the Thameslink debate—is of crucial importance if there is not to be the overcrowding to which he referred earlier?

Patrick Hall: Indeed, the whole of the programme is predicated upon delivering that capacity through engineering changes and improvements in the core, in central London.

The scope of the Thameslink network opened up by engineering improvements in the core, which have just been referred to, will greatly increase beyond the Bedford-Brighton corridor, extending to Peterborough, Cambridge and King's Lynn in the north and to a large number of destinations south of London. Work is well under way in delivering the Thameslink programme. The first phase was completed on time and on budget in March 2009, and essentially prepared for the main construction phase that we are now in, but we should not take that preparation for granted, as it was all about enabling services to run as smoothly as possible during the main construction phase.

We have already benefited from a superb new station at St. Pancras International, which replaced the appalling King's Cross Thameslink, and we will soon see delivery of a new station at Blackfriars, which will span the Thames. It will be ready in time for 2012. Farringdon station has been transformed, including preparation for an interchange with Crossrail, which will greatly increase connectivity for millions of people throughout the Thameslink network as well as east-west along Crossrail itself.

Simon Hughes (North Southwark and Bermondsey) (LD): The hon. Gentleman knows that I have had disagreements with Thameslink over its choice of the route through London Bridge and the consequent potential effects on Borough market. The battle was fought and lost, so we will have to wait to see whether Borough market survives with the character that it has had. However, the extension from Blackfriars to the south bank is extremely welcome and will do what has been necessary for a long time to link that station to others, although it is a short walk to the Jubilee line, and to make all sorts of other connections possible. That is a very exciting opportunity, and those of us on the south bank look forward very much to the station's opening.

Patrick Hall: I am sure they do. As far as the Thameslink programme is concerned, some people think that Bermondsey is the centre of the universe. I am pleased to see the hon. Member for North Southwark and Bermondsey (Simon Hughes) in the Chamber. I did not mention his name when I began my speech because I do not think that he was here then, but he is a welcome member of the all-party group that I mentioned.

Outside London, work is proceeding to extend station platforms to accommodate the new 12-car trains. Phase 3 is London Bridge, which is the most congested place on the whole network: the result of the unplanned approach to railway construction in the capital during the 19th century, creating a railway headache that no one has really sought to tackle until now. London Bridge is crucial to the success of the programme and will unlock the railway and release capacity for 24 trains an hour through the core.

I recently submitted 10 written parliamentary questions to the Department for Transport to check on the progress of this vital scheme. I compliment my hon. Friend the Minister on the fact that most were answered within 24 hours. I should have asked about passenger numbers—and I will. His Department told me that some 1,500 construction workers are currently employed full time on the Thameslink programme, with a further 500 to 700 working part time.

David Lepper (Brighton, Pavilion) (Lab/Co-op): I suspect that my hon. Friend will give us some more information about the number of workers employed on the scheme. Does he share my concern that possible redundancies of some of Network Rail's engineering staff could compromise not only the Thameslink programme, but important maintenance work in the whole Southern region?

Patrick Hall: I understand that there are concerns about maintenance on the whole rail network. This is not the place to go into detail on that, although those concerns are certainly shared by many hon. Members. By having such a debate, we put these issues firmly on the agenda and help to get them addressed later, which I hope will happen.

Mentioning the people employed in the Thameslink project helps to reinforce the point that public transport infrastructure schemes can provide much-needed employment during a recession, when the construction sector is always the first to feel the pain. I have also been informed that an additional 80 train drivers will need to be recruited to operate the additional services from around 2013 onwards. I will say something about driver vacancies and recruitment before concluding.

Through written answers I have learned that the first of the new 12-car and eight-car trains is expected to be delivered by the end of 2013. There is some time to go before that happens and I hope that my long-suffering constituents will be able to stomach that wait, but at least it is coming.

The programme is costing between £5.5 billion and £6 billion, which is a little more than was originally estimated. This information apparently led to briefings or leaks to *The Observer* newspaper, which reported on 15 November 2008 that the Thameslink programme was facing

"£750 million of cutbacks in a Treasury crackdown on costly infrastructure projects"

and that

"According to"

unidentified

"rail industry sources, the number of trains passing through central London at peak times could be cut from 24 services per hour…to 20",

which would be most unfortunate.

There has also been speculation about the orders for the new trains and the 1,100 new carriages for the Thameslink network as a whole, which are due to be awarded either by the end of March or during the summer or autumn. I hope that we get some clarity on that situation.

Mr. Bob Laxton (Derby, North) (Lab): It is crucial for my constituents and for the rail industry in total that this order goes to the only UK-based train assembler or manufacturer that is left in the country. I find it ironic that after 150 years or more of the rail industry, if this order went to a company outside the UK, it could be the end of train manufacturing here in the UK and with it could go many jobs: 2,500 in Derby and 12,000 or thereabouts in the supply chain. It is crucial that this contract goes ahead and equally crucial that it is awarded to a UK-based company.

Patrick Hall: I understand my hon. Friend's point and share his view. Of course, the process for dealing with bids must be above board.

When Bombardier failed to deliver the 23 new train units last March I visited it and was impressed: it put its hands up, did not blame anyone else and said that it had made mistakes. In fact, some of Bombardier's suppliers had got into serious difficulties because of the recession and it took over some of the supply chain to ensure that the delivery was completed. Only two weeks ago the last of the 23 trains was delivered, which has caused all kinds of knock-on effects. I was impressed by Bombardier's positive attitude and the fact that it made no excuses whatsoever.

Bob Spink (Castle Point) (Ind): I agree with what the hon. Member for Derby, North (Mr. Laxton) said in the previous intervention. While the hon. Member for Bedford (Patrick Hall) is considering related matters, may I say that I am grateful to him for his work on Thameslink? Thousands of my constituents use Thameslink every day and find that train fares are far too high—much higher than the average in Europe—and do not give value for money. Does he want the Minister to address that issue while he is captive in this Chamber?

Patrick Hall: The degree of state subsidy in railway systems around the world is an interesting question that I would happy to debate on another occasion. It is a matter of choice for Governments. Peak-time travel in this country is expensive, but off-peak travel is often much cheaper than in many other continental countries.

Kelvin Hopkins (Luton, North) (Lab) *rose—*

Patrick Hall: I will be speaking for a long time if I take interventions on the cost of travel to the passenger. None the less, my hon. Friend persuades me to give way.

Kelvin Hopkins: I am most grateful to my hon. Friend. I will be brief. Does he accept that a major cause of the rise in the cost of fares in Britain is privatisation? The costs of laying track have increased by five times and maintenance costs have increased by four times. That is why fares have had to rise.

Patrick Hall: If my hon. Friend wishes to secure an Adjournment debate on the case for public ownership of the national asset that is the rail network, I shall be there with him.

We all know that concern about public finances is high on the political agenda. The Government's deficit-reduction plan will include tough departmental cuts and the official Opposition have stated that the country has run out of money, that we face a decade of austerity and that an emergency Budget will follow within 50 days of a Conservative election victory. I state as firmly as I can that the Thameslink programme must be delivered: no delays, no dilution. It is essential on social, economic and environmental grounds. The business case depends on completion of the major works at London Bridge, which must not be cut. Indeed, it turns out that the programme is integral to supporting the economy as we emerge from the recession. If anyone doubts this, they should ask the passengers along the route, including my constituents. Up to £6 billion is a lot of money, but this is an extremely cost-effective use of money. To cut back on the final phase—London Bridge—would put the brake on the part of the programme that will deliver the biggest benefit. It would be short-sighted, foolish and a tragedy to do so.

Norman Baker (Lewes) (LD): I hope that the hon. Gentleman agrees that we cannot stop-start railway projects, which are long-term projects that, once committed to, should be followed through and, if curtailed, would be a cost to the public purse. Does he agree that it would help if, prior to the election, all three parties committed to proceeding with the Thameslink programme as planned? May I say, to start the ball rolling, that the Liberal Democrats do so?

Patrick Hall: I certainly endorse that example of parties working together in the country's interests, because that is what should happen sometimes. We will have an opportunity today to hear about that if someone picks up that helpful suggestion.

Before concluding with questions to the Minister, I shall speak about First Capital Connect. I appreciate that there will be an Adjournment debate on the subject tomorrow, so I need not go into great detail, as I could, but issues arise that are relevant to how trains will operate on completion of the Thameslink programme.

I acknowledge the disruption, inconvenience and additional cost borne by many of my constituents and thousands of others from mid-November to the end of January. That arose principally from the decision of drivers, mostly at the Bedford depot, to work only their contracted hours, and not to volunteer to work on their rest days. That was connected with FirstGroup's decision to offer a pay award that included a 0 per cent. increase for the first year. However, negotiations were still proceeding with ASLEF, and there was no need, in terms of collective bargaining procedures, for the unofficial action. It seems that the situation was bound up with frustration owing to disruption and delay of promised training, triggered by Bombardier's failure—it was not entirely its fault, as I acknowledged—to deliver 23 new class 377 trains between October 2008 and March 2009, and principally because of knock-on effects of First Capital's taking on the new Bedford-Sevenoaks service. That combination created difficulties in delivering the driver training that FCC had promised. Suffice it to say that FCC must now demonstrate to the public and the Government that it will get on top of its industrial relations and help to restore the good will that is essential to running the railway.

David Lepper: Does my hon. Friend agree that First Capital Connect should have been swifter in coming forward with a compensation package for regular travellers on the line, and does he share my hope that even now it will widen the scope of that package?

Patrick Hall: Because things were happening so fast daily, and with the exceptional weather, it was probably difficult to please everyone instantly. People always want more compensation, and the latest offer, which I believe is about to go online, is much more generous than was mooted earlier. Some of my constituents may not be happy with it, but on balance I have concluded that the compensation package is now reasonable and fair. FCC has taken on additional staff to cope with the demands and claims, and I believe that it is determined to learn lessons for industrial relations and compensation from its dreadful experience.

The period during which drivers started to work to contract, leading to the emergency timetable and the 50 per cent. reduction in the service from Bedford, led to all sorts of claims about driver numbers and vacancies. I have heard all sorts of suggestions about the number of unfilled vacancies, which I have not yet got to the bottom of, but I am determined to do so, and it is in the public interest that the House does so. Whatever Department for Transport officials say is commercially confidential, I ask the industry to be clear and open with the public, because that will help to restore confidence.

When FCC took over the franchise in 2006, it proceeded to recruit 30 extra drivers—13 were recruited after April 2009, and 16 more were recruited after November—beyond the normal recruitment level needed to cope with retirement and so on. The extra trains integral to the Thameslink service will generate further recruitment needs. I have been assured that FCC has in place mechanisms to review the establishment regularly to ensure that the enhanced service made possible by the Thameslink programme is delivered.

FCC must acknowledge that the difficulties created for passengers by the drivers' work-to-contract episode, and later the snow and ice, were greatly exacerbated by an incompetent communications system. Again, I am confident that lessons have been learned, and that improvements will be made over the next several months. FCC is spending money on that. I have referred to the point about compensation made by my hon. Friend the Member for Luton, North.

I shall conclude with some questions to the Minister. Will he confirm the Government's unwavering commitment to completion of the whole of the Thameslink project as already programmed? Will he tell me, now or later, what proportion of the overall benefit will be delivered by completion of phase 3, which is officially, if clumsily, known as key output 2—that is, London Bridge? Will he tell me why delivery of the 1,100 new carriages in the form of 12-car and 8-car units does not coincide with the planned completion of the Thameslink programme? The latter is 2012, but the new trains are apparently due at the end of 2013. Will the Minister confirm when the preferred bidder to supply the new trains will be announced, and when the contract will be placed?

The Minister will know that First Capital Connect encountered further problems during the cold weather because the sliding doors on the class 319 units froze tight due to snow penetration. That did not happen throughout the network on trains fitted with plug doors. As the 1,100 new carriages will have sliding and not plug doors, will he reconsider that specification?

FCC is addressing the need for improvements that it can deliver on passenger and station staff information, but industry-wide issues are being examined by the Minister's Department, with Network Rail and train operators as a whole. Is he in a position to apprise me and the House of progress and a programme of action?

Will my hon. Friend tell me what might happen to the Bedford depot and sidings when the 12-car trains are introduced? I understand that there is insufficient space to accommodate trains of that length, which are of the fixed formation type, so they cannot be broken up.

Finally, it is in the public interest to know about passenger numbers.

There is always more to add, but despite the problems of the past two and a half months, we are approaching a time when the congestion and overcrowding of the past 20 years will be overcome. That is good and positive news, and an outcome to which I hope everyone is committed.

Several hon. Members *rose—*

Mr. Edward O'Hara (in the Chair): Order. I remind hon. Members who wish to contribute to the debate that the Front-Bench contributions must start not later than 12 o'clock.

11.28 am

Mr. John Horam (Orpington) (Con): I congratulate the hon. Member for Bedford (Patrick Hall) on securing this debate. He is an energetic chairman of the all-party group on the Thameslink route, and I am an enthusiastic supporter of that group. As he said, the core part of that important project is the bit between St. Pancras and Blackfriars, but the third stage, to which he referred, is the improvements that we will get up to 2015—unfortunately rather a long way away—to the Borough market junction and London Bridge station, which are equally important to the project. I am an enthusiastic supporter of the project because I represent people in south London and Orpington who use that service. As the hon. Gentleman knows, there have been huge problems with congestion of services through London Bridge station over many years because of the historical bottleneck resulting from unplanned development of railways during the 19th century. The problem was not tackled during the 20th century, and it is amazing that we have had to wait until the 21st century.

Perhaps I can read out a short section of a letter that amply exemplifies the problems faced by my constituents. On 8 January, a lady wrote to Southeastern Trains about a train journey that took place between London Bridge and Orpington on 7 January:

"I wish to make a strong complaint about the overcrowding on the above train…I was unable to move or breathe easily. It was not possible to remove my hat, gloves or answer my mobile phone. With lots of layers of clothing on and my coat"—

obviously, January 7 was a very cold day—

"I was unable to stop myself from overheating. I can honestly say you were lucky no one was injured in my carriage...There was no security or help from the platform before leaving London Bridge…Thoughts were going through my mind of the Heysel stadium".

It does get that bad on some of these overcrowded commuter trains at certain times of day or night. That letter, written this year, indicates the daily problems that my constituents are facing, which, hopefully, will be alleviated in years to come by the Thameslink programme.

The problem is not simply one of overcrowding on a daily basis, but of some of the choices that the Southeastern Trains operating company has to make. For example, it has had to cancel the only services between Orpington, Petts Wood and New Cross—an important area of employment for my constituents with Goldsmiths college and so on—to put in a new service to Lewisham to serve Canary Wharf. Obviously, Canary Wharf is also a source of employment for my constituents, but Southeastern Trains has had to choose between the two because the capacity constraints on that line are such that there cannot be both. That is frankly ridiculous in the 21st century.

That is the overcrowding problem that we face. As we know, the notes sent out by Network Rail for this debate stated:

> "The track and signalling around London Bridge is the most complicated and congested in Europe. By 'untangling' the rail infrastructure at London Bridge we can deliver the massive capacity increase that 100,000s of passengers need and a high frequency service through central London.".

That is what we are looking for. I appreciate the point made by the hon. Member for North Southwark and Bermondsey (Simon Hughes)—who is also a member of the all-party group on the Thameslink route—about the serious conflict between Borough market and the needs of passenger services in that area. It is a great pity that the problem has had to be resolved with some disadvantage to Borough market. The market is a wonderful piece of London's heritage, and although the solution that has been reached means some truncation of Borough market, I hope that it will none the less mean that the service can provide for what is an important part of south-east London's history.

Simon Hughes: I am grateful for the hon. Gentleman's sensitive reference to that issue. Only time will tell, although we will lose some listed buildings and the whole configuration will be different. I accept the case for having more lines to London Bridge, but the only issue that has not yet been resolved is that of ensuring that the South London line has enough platforms and can continue its loop round from Victoria. The Minister is aware of that point, as I have been to see him. That is the one remaining piece of engineering organisation that, if it could be resolved, would considerably help people in our part of the world.

Mr. Horam: I am sure that the Minister will hear what the hon. Gentleman has said. The final point made by the hon. Member for Bedford, quite rightly, is that this programme should not be cut. The hon. Member for Lewes (Norman Baker) strongly supported that, and it is certainly uppermost in our minds. This programme should not be cut and we should be committed to it.

Unfortunately, I must point out to the hon. Member for Bedford that his Government have presided over an economic crisis that has led to the spending of billions of pounds that could otherwise go towards this sort of infrastructure. Equally, they have squandered public funds on a heroic—perhaps I should say unheroic—scale, as a result of which, productivity in the public sector has gone down. There is a problem that we must face realistically.

The sort of solution we need was set out on 26 January in the *Financial Times*, which pointed out that the Chancellor of the Exchequer has already announced cuts in capital expenditure of about one half over the next four or five years. Our worry is that the project under discussion could be included in that sort of cut. It was pointed out that we could match up the funds of the pensions industry, for example, which need long-term revenue to service, with the income flows from such transport infrastructure. That could provide an alternative source of financing for these big projects, apart from public sector funds. Unfortunately, we have a rather unhappy history with the private finance initiative, which, again, has not been handled well by the Government. If we are to save such projects, alternative ways of financing the transport infrastructure must be taken into account and used imaginatively. It is vital that such projects go ahead.

Recently, I was on a trip with the Foreign Affairs Committee to Madrid and Lisbon, and I saw for myself the effect on a capital city of modern transport services and roads—of course, in those cases there was access to large amounts of European Union funds. One can see the galvanising effect that that sort of infrastructure has on quality of life, as well as on the economic performance of those cities. London desperately needs that sort of spending on such schemes. That is why I am an enthusiastic member of the all-party group on the Thameslink route, and I hope that the scheme will go ahead in its entirety.

11.35 am

Kelvin Hopkins (Luton, North) (Lab): I shall try to be as brief as possible to enable other hon. Members to speak. First, I congratulate my hon. Friend—and my genuine friend—the Member for Bedford (Patrick Hall) on securing the debate and on what he has said today. Like him, I am a massive enthusiast of railways in general, and the modernisation of Thameslink in particular. I have thousands of constituents who, like my hon. Friend, travel every day by Thameslink. I have been a commuter on that line for the past 41 years, and I still use it every day. Therefore, I know the problem. Some years ago, I think I had an influence in persuading Ministers to build the box station at St. Pancras International, pointing out that if we had not done that, Eurostar services would have been seriously damaged. The line is a serious provider of passengers straight on to Eurostar. Because of that box station, those of us who live on the Thameslink line can pop over to Paris at short notice—something I have done myself.

The improvement of the through-London service is excellent and vital, and I am happy about the concept. However, I must raise some concerns about the engineering and the technology. Friends of mine in the industry—engineers in particular—have said that there are serious problems. From time to time I read magazines such as *Modern Railways*, which give me a bit of insight into how things work. Trying to get 24 trains through that middle section is a major problem. That is a large number of trains, and it is not a simple through-route. There are two routes feeding in from GNER and from the midlands to King's Cross and St. Pancras. Sequencing all those trains and ensuring that they get through on time and can stop, offload, onload and move on will be a serious problem.

To an extent, that has been partly recognised, but there are other problems. That section of the line has some of the steepest gradients in the country. Will we

[Kelvin Hopkins]

have sufficient power to allow trains to get through those gradients sufficiently quickly? I understand that most trains have eight driven axles for a four-car unit, but we may need to increase the number of driven axles—which increases costs—to ensure that trains can cope with those gradients at sufficient speed to get through the system.

The switchover from overhead AC power lines to third-rail DC drive also takes time. I see that every day at Farringdon. That is another potential problem that can slow trains down. As I have said, that has been recognised to an extent. There is some suggestion of having automatic train operation between Kentish Town and Blackfriars. Automatic train operation has not been tried in Britain on a mainline service. It is used on the Victoria line, but not elsewhere. It has not been tried, and certainly not on a complex system such as Thameslink, where there are two railway lines coming into one at St. Pancras. Automatic operation in a dry, straight tunnel with no complications is one thing, but where there are problems with weather such as wet track, leaf fall or frost if some of the track is exposed, something called defensive braking will be required in the automatic operation to ensure that the trains do not slip and that they get through. Again, that could cause delay and would certainly add enormous costs.

I therefore suggest to my hon. Friend the Minister that what we need at this stage, before things go wrong and we say, "Oh dear, we can't deal with this; there's a problem", is a thorough review of all the engineering problems in the system by BR-trained engineers in all the specialisms required, not by project managers and people who have little experience in railways, and without pressure from Network Rail or contractors to gloss over details. We must get this right, and I ask the Minister to secure a thorough engineering review by an independent group of engineers with all the necessary skills to ensure that we do not make mistakes and that we get it right.

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I hope to be able to advise my hon. Friend. This might not negate the need for the engineering review that he is calling for, but I understand that the intention is to have a section of track available to test the automatic train operation technologies well in advance of any intention to implement them.

Kelvin Hopkins: I thank my hon. Friend for that. It is welcome. One other point is that there are signalling and electrical power problems. Already there have been line-side fires in the tunnel between Farringdon and City Thameslink. That, I understand, is caused by arcing from the third rails, because the delivery for electricity to those tracks is at one end of that section of track rather than, typically, in the centre, which means that the voltages must be higher to drive the current longer distances. Those points have been made to me by engineers who understand these things—I have some technical knowledge myself—and they are serious matters. If one line-side fire stops 24 trains an hour, a two-hour blockage stops 48 trains, and if 48 12-car trains are suddenly stopped, we have a real crisis. We cannot afford to have things going wrong on a line of this importance any more than we could afford serious problems on some of the major underground routes. At least sometimes there are alternatives to underground routes. There may not be alternatives for Thameslink. I have raised those matters with the Minister to ensure that he is aware that there are potential engineering problems and to ask him to investigate the possibility of having a thorough review.

11.42 am

Simon Hughes (North Southwark and Bermondsey) (LD): I am grateful to the hon. Member for Bedford (Patrick Hall) for the opportunity provided by the debate. I shall make just a short contribution, but I am one of those colleagues who have been involved in all the discussions about Thameslink for many years. I just gently say that of course the project used to be called Thameslink 2000; we have slipped a little in relation to its delivery.

I want to make several points. One is that at the fantastic new St. Pancras station—I agree about how wonderful it is—there is still, for both British and international travellers, some confusion about which lines run from where. Obviously, the Eurostar is clearly signed, but it is not entirely clear, from all entrances, where people should catch other services from, and that information can be crucial to people's timetabling and their ability to get from ticket office to train and from one line to another. Although that is not directly a Thameslink responsibility, it is relevant to users of Thameslink and interconnecting passengers, so I make a plea that Thameslink use its good influence, and that Network Rail and those who manage St. Pancras also act, to ensure that there is a clear set of signs so that people can be clear about which trains leave from the upper level, about which trains leave from the lower level at the back and about Eurostar.

Secondly, in relation to London Bridge, which is the biggest issue affecting my constituency and has been referred to already by the hon. Members for Bedford and for Orpington (Mr. Horam), I shall not refight the battle that we fought. We argued that there was an alternative route that might have been a good one—either the Herne Hill route or a new route by a new bridge over the Thames. That could have avoided the problem of having to demolish many listed buildings at London Bridge. However, it is important that as part of the new project London Bridge station is reconstructed. I think that it is still the station in London that has most passengers through it every day. It is phenomenally busy and congested, and many of the trains into and out of it are, as the hon. Member for Orpington rightly pointed out, phenomenally busy and congested. That can be very unpleasant and, indeed, dangerous.

The local community that lives around the station will have to pay the price of all the works, which have started on the site next door. The tallest building in London is being built there at the moment. I am referring to the Shard of Glass at London Bridge. The community is signed up to that project, on the understanding that phase 1 will be completed before 2012. There will be a pause during the Olympic period and there will be a second phase after that. I absolutely endorse the plea from the hon. Member for Bedford and others that we do not see the project grind to a halt after phase 1. I am very grateful for the commitment by my hon. Friend the Member for Lewes (Norman Baker) that makes clear the importance that we attach to the completion after 2012 of the rest of the project.

Thirdly, there is a bit—I say "a bit"; it is not insignificant. A further part of the work is on the line out of London Bridge station, as part of the works in Bermondsey. Again, that is entirely supported by me and the community. We just want to signal and register our support for that.

Fourthly, I have indicated the real excitement that there is about the opportunity of Blackfriars station extending across the river. That is being sold and presented very well by Thameslink, which has put posters across Blackfriars bridge making it clear that it will be the first cross-river railway station either ever or for a very long time—I cannot remember, although I ought to. That in itself is exciting. It is frustrating that we did not win the battle all those years ago when the Jubilee line alignment was determined, meaning that there could have been an interconnection at the station, on the south side, so people would not have had to come out of the station but could have linked to another. The local community is paying a small price at the moment in terms of pedestrian disruption, but the community negotiated with Thameslink and Network Rail; it is understanding of that. As long as the timetable is kept to, it is entirely understood and appreciated.

Chris Mole: I assure the hon. Gentleman that I tried to visit Tate Modern over the Christmas period and I know exactly what he is talking about.

Simon Hughes: I am pleased to hear that. The Minister is very welcome to visit my constituency socially, as well as for political reasons, at any time. As someone who, wearing another hat, chairs the Mayor of London's Thames festival, which now has just short of 1 million visitors in September every year, I know that ensuring that the pedestrian flows along the riverbank work well through all the building work is important to ensure that there is no inconvenience. Again, we shall need to ensure, as Blackfriars station comes on stream on the south side, that we have the most effective signs and intercommunication, so that people understand the great benefit of getting off at Southwark underground station on the Jubilee line and making that connection. We need to ensure that that works well, even though it is a few hundred yards out in the open.

Fifthly, I turn to signalling, a point that was made by the hon. Member for Luton, North (Kelvin Hopkins). I was keen, when the opportunity arose again in the time of the Conservative Government, to ensure that we had an extension to the London underground. In the end, it was not the initially preferred solution, but the Jubilee line extension was certainly welcome. We had to fight to ensure that it was not just a fast line that went from London Bridge and Waterloo straight to Canary Wharf, and we managed to win the battle to get stations in Southwark and Bermondsey, which are also welcome. Ten years on, we are celebrating 10 years of the extension, but there are many closures for re-signalling work. That will obviously produce a good outcome but, although I am no engineer, I want to flag up the importance of ensuring that we get the signalling work in place such that there will be a longer period through which it will be expected to work without disruption, because little is worse than having a fantastic new line that then needs upgrades and on which there are weekend closures and other disruption fairly shortly after it has been put in place.

My last point is one that I have made to Network Rail and to Thameslink. At the moment, there cannot be a seamless connection, because of the works done, from the south to the north, particularly at weekends or at night, when people might be able to get to London Bridge but then find that there is no service that goes all the way through, and they have to reconnect at St. Pancras. It is therefore very important to ensure, again, that the information is clear in advance. Having once gone with others to catch a plane, I know that if a service is not there when people think that it will be, they will miss not just their train but their flight from Luton, Gatwick or elsewhere. Can we therefore make sure that there is really good advance information all the year round at all stations along the line about what happens at weekends and at nights when there is no connection? People will then know exactly what to do and what the quickest connecting route is. Can we also ensure that all the other transport operators work together with Thameslink and Network Rail?

11.50 am

Laura Moffatt (Crawley) (Lab): I congratulate my hon. Friend the Member for Bedford (Patrick Hall) on raising this important issue. As a member of the all-party group, I have learned exactly what the Thameslink programme will mean for our constituents, which is why we have put in extra work looking at improvements, watching out for the things that will affect our constituents and trying to intervene through debates such as this. It is a pleasure to be here, although I shall take only a couple of minutes to speak, so that all hon. Members get an opportunity to contribute to this important debate.

We are here because of our constituents. The lives of some have been disrupted by what, in many ways, is the First Capital Connect debacle, and people have had a difficult time. It is hard for us as Members of Parliament fighting for improvements to Thameslink to see our constituents experience that totally avoidable disruption to their lives; all those of us who travel into London every day understand exactly what they are going through. Having their rail journeys disrupted is truly upsetting and can make the rest of their day a miserable experience. That is the last thing that we want.

We understand what the £5.5 billion of improvements will mean. Those of us who were lucky enough to take a cab to look at the magnificent improvements around King's Cross and at the amazing work that is going on there were immensely proud to see that we can have first-class rail travel services. As I said, we are all here for our constituents, and although we have a firm eye on the Olympics and on the important improvements that can be put in place for people travelling into London—certainly from Gatwick airport—that is a bit of a side issue; we are talking about our constituents and ensuring that their journey times are good.

Of course, we also want to ensure that our constituents' journeys are safe. Like my hon. Friend the Member for Luton, North (Kelvin Hopkins), I have been concerned about the loss of engineering jobs at Network Rail. That is because we have been listening to people who know and love the railways and who understand what that loss might mean. I am delighted that the Office of the Rail Regulator is now keeping a close eye on what Network Rail is up to, to ensure that my constituents are safe.

[Laura Moffatt]

We need to know that the Thameslink upgrade programme will be completed in its entirety; if it were not, that would be a travesty of justice. We have sold the whole programme to our constituents on the basis that their lives as members of the travelling public will be massively improved soon, in five years. That is what people deserve. We know the prosperity that the changes will bring. When we were at school, we understood how important the Stockton-to-Darlington railway was and what improvements and prosperity it brought to communities. In the same way, we know that the current programme will improve the way in which people live and work in the south-east. That is why we are so desperate to see the programme finished in its entirety.

I completely understand that those who have to make a decision about the two remaining competitors for the Thameslink rolling stock project must be extremely careful, but I do not have to be. I should say that I am convinced that the Bombardier project needs to be selected. I went on an Industry and Parliamentary Trust transport group visit to look at the trains being constructed in Derby, and I was utterly blown away by the professionalism that I saw. As we know, there have been difficulties, but those involved have held their hands up, and we can move on. I am firmly putting my flag up for the Bombardier team and I hope that it gets the project.

The Thameslink programme is enormous. If we go to the Network Rail and Thameslink programme website, it is hard even to conceive of the number of projects that are running at one time—it is tremendous. People should look at the magnificent depot proposed for Three Bridges, which is the central station in my constituency. The project will provide 300 new jobs, but I need the Minister to reassure me that it will go ahead so that we can look forward to restoring Three Bridges and making it the major hub that it was many years ago. When I was a small baby, my parents moved to Crawley New Town, and Three Bridges was at the heart of the train service. We look forward to those days returning. The Minister has been fantastic on train issues, and I ask him to reassure us that the Thameslink programme is safe in the Government's hands.

As the hon. Member for North Southwark and Bermondsey (Simon Hughes) asked, can we ensure that information is there for passengers and gives them the opportunity to know when there will be disruptions? Major improvements mean disruption for our constituents, so we need to let them know what is going on. I have been impressed by the information that has been put in place so far, but that needs to continue. Let us see the Thameslink programme benefit all our constituencies, so that we can be proud of it for many years to come.

11.56 am

Mr. Bob Laxton (Derby, North) (Lab): I congratulate my hon. Friend the Member for Bedford (Patrick Hall) on securing this debate. I acknowledge—no, more than acknowledge—the comments made by my hon. Friend the Member for Crawley (Laura Moffatt) about awarding the contract to Bombardier, which is a UK-based company.

It is clear from the debate that some hon. Members in the Chamber have far more knowledge about the ins and outs and the nuts and bolts of the Thameslink route than I do. My expertise, if I have any, comes from my home city of Derby. I want briefly to reinforce the points that I made in my intervention.

Although Bombardier in Derby has a reasonable amount of work, it will be disastrous if the company fails to win the Thameslink contract, because it would effectively run out of work over the next couple of years. As a result of what is happening in the world economy, the UK wants to rebuild its industry, to get people back into work and to sustain them in work.

Kelvin Hopkins: I absolutely support my hon. Friend's point that the contract should go to Bombardier. However, this is about not only Bombardier, but British manufacturing and the loss of skills. If we ever lost that manufacturing capacity, it would be almost impossible to recreate, and our balance of trade deficit, which is already massive, would become even larger. We would be on the way to ceasing to be a manufacturing nation, with seriously damaging consequences for the long term.

Mr. Laxton: I agree entirely. That is why it is vital that a UK-based company should win the work.

I am on record as being somewhat critical—that is perhaps an understatement—of some of the ordering processes at the Department for Transport. The most recent example involved the inter-city express contract being awarded to Agility Trains, a consortium that includes Hitachi of Japan. The contract was said to have the potential to create 12,500 jobs, but as we will find out in due course, there will be no manufacturing jobs or supply-chain jobs for UK plc. There might be a few hundred jobs maintaining the trains, although that would apply whoever won the contract, because maintenance depots would have to be established. I am particularly critical about that.

[Ann Winterton *in the Chair*]

I have a crucial question for the Minister: can he give us a clear indication of when the contract will be awarded? Derby is a centre of rail expertise. Perhaps it is also, to a degree, a centre of rail gossip; much of that is accurate, and the word out on the bush telegraph is that a decision to award the contract is likely to be made at the end of March. Can the Minister confirm that that is so, and, if not, will he make it clear when the decision will be taken—although, of course, a period of negotiation is likely beyond that time?

I am interested in hearing the other speeches in the debate, and particularly the Minister's answer to my question. I also look forward to hearing his answers to the pertinent questions raised by my hon. Friend the Member for Bedford.

12 noon

Norman Baker (Lewes) (LD): I congratulate the hon. Member for Bedford (Patrick Hall) on his speech and on the work that he has done with the all-party Thameslink route group. I checked this morning, and I am a member of that group; I am happy to be so.

My remarks are predominantly about the long-term plans—not too long term, I hope—for the improvement of the railway line, but I want first to make one or two brief comments about First Capital Connect, because that is relevant to the Thameslink project.

It is clear that First Capital Connect has let passengers down badly. There are serious issues about the rostering of train drivers and whether they will be expected to work overtime as a matter of course, which effectively creates vulnerability to working to rule. There is also the serious issue of whether more money should have been spent on training more train drivers. That is relevant to the parliamentary question, tabled by the hon. Member for Bedford, about the number of extra train drivers who would be required to operate the enhanced Thameslink service.

The Minister gave a figure of 80, but I should be interested to know whether that assumes the existing working pattern for drivers or, as I hope, a more sensible approach to working pattern and arrangements for drivers. In passing, I should say that the consequences for the south of London have not perhaps been as bad as those for the north of London, partly because Southern has coped well with the unexpected problems that it has had to deal with because of First Capital Connect's inadequacies. The Minister will be aware that there is a considerable movement under way in the House in favour of First Capital Connect's having its franchise removed. I refer to the early-day motion tabled by my hon. Friend the Member for Sutton and Cheam (Mr. Burstow), which many hon. Members—of all parties, I think—have signed.

Because the debate relates to the timetable and the 2015 dates and stages set out by the hon. Member for Bedford, it would be useful if the Minister said something about his intentions for the First Capital Connect franchise. It can end naturally in 2012, or be extended to 2015. It is, I think, clear that the Minister and the Department wanted to extend it to 2015, because of the coterminosity with the end of the Southern franchise, which was clearly in their minds.

Many of my constituents, and those of other hon. Members present for the debate, might be unhappy to be told that there will be another five years with that company in charge, given how abysmally it has performed so far. A third option, of course, would be for the Minister to remove the franchise early, as happened with the Great North Eastern Railway and National Express. Some early clarification on that point would be helpful. If the Minister cannot give an answer today, can he say at what point the Government intend to make a statement of intention about the First Capital Connect franchise?

Kelvin Hopkins: The hon. Gentleman may have heard my question, following one from the hon. Member for North Southwark and Bermondsey (Simon Hughes), in Transport questions last week. The Minister was definitely open-minded about the future of the franchise. Indeed, the possibility of taking it back into public ownership was not ruled out.

Norman Baker: I heard that he was open-minded, but also that he was uncertain about the conclusion, which is why I thought it might be prudent to push the matter again today.

The Thameslink programme is clearly a major investment, with major public benefit not just for rail passengers but for the economy of the areas that the route serves. It has had a long gestation. Rail schemes that were formulated decades ago seem to have taken an enormous amount of time to proceed. My hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) mentioned the fact that Thameslink used to be called Thameslink 2000, and that it is now 2010 but we still do not have it.

It is important for all Members of Parliament to accept that we cannot stop-start rail projects of such magnitude. They need long-term planning and commitment, and stop-starting costs money in cancellation fees. It is also, frankly, an incoherent way to run public policy on railways. For those reasons, and because there has already been delay, and given the difficult financial situation to which the hon. Member for Orpington (Mr. Horam) referred, which doubtless will continue under the next Government of whatever colour, it is important not to take short-term decisions that damage the country in the medium and long terms and are financially incompetent. It is clear to me that there should be no reduction in the Thameslink programme as planned. That is the position that my party formally adopts, and will adopt for the general election. It would be helpful today, for future planning, if the Conservative spokesman and the Minister were to give similar assurances.

There is no point in my repeating the specific questions put by the hon. Members for Bedford and for Luton, North, but they were germane to the nuts and bolts of the scheme and I hope that the Minister will respond in detail. If he cannot, I hope that perhaps, as a courtesy, he will write to all the Members who have attended the debate, with specific answers to those important questions.

The question of the sliding doors was raised, and I confirm that it is a serious issue. It is important at the present design stage that that matter should be properly addressed. Either the doors should be changed or a mechanism should be introduced to prevent the sort of problem that occurred with the sliding doors of the 319s—which, by the way, are regarded in the trade as dustbin trains. That is the current terminology. I see that we are to get some of them cascaded down to the Brighton-to-Eastbourne route by the Government. Perhaps the hon. Member for Brighton, Pavilion (David Lepper), who is no longer in the Chamber, may take an interest in that matter.

The hon. Member for Orpington spoke about the funding of future transport schemes. It is important to make it plain at this point that, notwithstanding the economic difficulties that the country faces, there is a sensible economic case—perhaps even more so because of the economic circumstances—for investing in jobs, and particularly those that bring an environmental benefit, in the light of the challenge of climate change. That is why my party will make the creation of green jobs a priority at the general election.

Railway investment fits firmly into that scenario. For that reason, I should be interested in the Minister's confirmation of plans for the introduction of new rolling stock. We have been promised 1,300 new carriages on many occasions. A bit like Billy Bunter's postal order, they never quite turn up; we are hoping that one day they will. Perhaps the Minister can give an answer about that and deal with the inconsistency in the timing, between 2012 and 2013, that has been mentioned in relation to Thameslink.

Chris Mole: I assure the hon. Gentleman that some of the high-level output specification additional rolling stock is already in service, and that I launched the Essex Commuter as a contribution to that only last month.

Norman Baker: I have no doubt that some are in service, but that is not quite the point that I was making, which was about the delivery date and in-service delivery date for the 1,300 vehicles that were referred to. That matter is difficult to pin down—a bit like jelly.

An important point that arises from the debate so far relates to through-London services. A couple of hon. Members have touched on that important issue. If we are to have major capacity constraints, as we do on the network all round London—and it is not easy to see a solution in terms of creating extra capacity at the termini in London—it is important to have efficient, fully working through-London services. Such services, with termination points either side of London, allow far more trains to be used than services that terminate at a London terminus, whose turn-around times mean that a much more limited number of trains can be got in and out of the station. Through-London services are important for enhancement of capacity, which is why the points made by the hon. Member for Luton, North, in particular, are important.

Kelvin Hopkins: Two of my constituents work in south London, but only because they can travel through London on Thameslink. These services enhance job opportunities for millions of people.

Norman Baker: They do, and the opening of the Snow Hill tunnel has been a transformation. We ought to build on such changes.

The Thameslink programme is crucial to London, as is the Crossrail project. It is important to have consistency and predictability. It would be a service to our constituents if all parties were able to commit to the project and remove any uncertainty.

12.10 pm

Stephen Hammond (Wimbledon) (Con): It is a great pleasure, Lady Winterton, to see you in the Chair. I congratulate the hon. Member for Bedford (Patrick Hall) on securing this debate.

I shall not touch upon First Capital Connect rail services today, because we have an hour-and-a-half debate on the subject tomorrow. I shall target my remarks particularly on key output 2 of the Thameslink project, and later I shall ask some questions of the Minister.

The hon. Member for Bedford was right to state that it is a long-running saga. The project was formerly called Thameslink 2000—some thought that it should have been Thameslink never—and it is now the Thameslink programme. If it is to happen, it will be delivered by 2015.

A number of interesting and thoughtful contributions have been made to the debate, and I shall refer to them during my remarks. The Thameslink programme is split into two key delivery phases—key outputs 1 and 2—and as the hon. Member for Bedford so correctly said, the preparatory phase was delivered in 2009. Key output 1 includes the building of a new station at Blackfriars, the transformation of Farringdon and a number of platform-lengthening schemes.

One of the pleasures of contributing to such debates is that I speak not only for my party but for my constituents, who are affected by Thameslink. One matter that has been referred to a number of times is the ability to allow through traffic. On a parochial basis, speaking on behalf of my constituents, I have a question for the Minister. The Secretary of State kindly promised that when the draft timetable was published he would consider whether the Sutton loop could allow through trains to St. Pancras, rather than every train having to stop at Blackfriars. Will the Minister confirm that my constituents can still rely on that promise?

Chris Mole: I assure the hon. Gentleman that the development of the detailed timetable is a task for the future, and we will consider the matter carefully.

Stephen Hammond: I shall keep that promise tucked away.

Key output 2 is crucial. A number of Members have referred to it, and questions have touched on the subject. This debate gives the Minister the chance to confirm or deny many things. The main part of key output 2, as we heard, is the rebuilding of track, the rebuilding of London Bridge station and the letting of the rolling-stock contracts. In total, the latter would facilitate the running of 24 12-car trains an hour through the core section. The programme will include signal alterations, new platforms and the complete reorganisation of the underground station. It is all very exciting.

Today's debate is welcome because, as the hon. Member for Derby, North (Mr. Laxton) said, the railway industry is one of rumour and bush telegraph; it has also given rise to a huge number of railway magazines and learned journals. I have a number of questions for the Minister; he might wish to answer them or at least clarify the Government's position.

The works on the track and at London Bridge station are key parts of the Mayor of London's strategy, and they support the entire economic and transport capacity of London and the south-east. However, it is widely rumoured, not only in the article referred to earlier, that the rebuild and the track works are considerably over the budget set by Network Rail and the Government. The cost evaluation has been undertaken through Network Rail's guide to railway investment projects—GRIP—process.

Will the Minister tell us whether GRIP stage 3 is now complete? Will he say what is the scale of the overruns against the original allocated budget for key output 2—is it £500 million, £600 million, £700 million or £800 million? Will he confirm that Network Rail's proposed solution is not to bring the costs back into line but to de-scope the project? Will he confirm that the Mayor of London has written to the Secretary of State, pointing out what many Members have said—that only if full output is achieved for the allocated budget will we get the real benefits of the project, otherwise the viability of the scheme will be undermined?

It is widely anticipated—I am sure that the Minister will be aware of this—that Network Rail will seek to change the plans for London Bridge construction. In the original output 6A, the specification proposal was for nine through platforms rather than six. I understand that the sponsor team has iterated that specification and reiterated it to Network Rail. Network Rail has not come up with a plan to deliver nine through platforms within the allocated budget and with acceptable passenger congestion. Will the Minister confirm that Network Rail does not propose building nine through platforms? Will he give an estimation of the impact on through trains, with trains not being able to stop at London Bridge, if we do not get the full scaling of the project?

There is a major design issue here. If those through platforms are not delivered, I understand that a redesign of the entry and exit points to the underground station will be necessary, which will involve a renewed planning application. Will the Minister confirm that that is so, and if so what will be the overall delay to the scheme? Will he confirm that it is the Government's intention to ask Network Rail to respond to option 6A for London Bridge with a realistic operational and cost proposition? If the Government do not intend to do so now, exactly when will it happen? We heard earlier about the Bedford depot, but will the Minister deal with the rumour that the Hornsey depot, which is crucial to the stabling of trains, is also under threat from local planning requirements, and that the local council is likely to refuse that application?

Thameslink, through its procurement process, is supposed to deliver 24 12-car trains an hour. Rumours are circulating on the bush telegraph that the number is to be reduced from 24 to 20. Will the Minister tell us that that will not happen? Will he confirm that preferred bidders have been asked to retender on the basis of 20 trains, or have the Government given no advice on that? Will he say whether he has taken consequential legal advice on the Thameslink procurement contract? If there is to be a de-scoping of the contract for the Thameslink programme, will the whole contract have to be retendered? Many of us have asked when the Minister will be making the Thameslink procurement announcement. Can we expect it at the end of March? If so, can we take it that 24 trains an hour will be delivered?

While on the subject of procurement, the Minister did not answer the question about the 1,300 vehicles—nor did I expect him to. However, I wish to test him on a couple of other procurement matters. Will he confirm that the financial bidder for Agility Trains has withdrawn, and that the Government are retendering that contract to rolling-stock leasing companies? Will he also confirm that the Government do not intend to buy the extra 42 Pendolinos to allow the west coast main line to run 11-car trains rather than nine-car trains?

Finally, on the subject of signalling, will the Minister confirm whether Network Rail proposes abandoning automatic train operation and giving no consideration to ERTMS, the European rail traffic management system, but have decided instead to revert entirely to manual signalling? What implications will that have for the effectiveness of the delivery of the Thameslink programme?

Norman Baker: As the hon. Gentleman has asked the Minister many questions, may I ask him one? If there is a Conservative Government after the next election, will he ring-fence the project so that it will proceed, or will the shadow Chancellor consider it for a potential cut?

Stephen Hammond: I need the answers to all my questions before I can make a reasonable judgment on that question.

I have asked the Minister a number of detailed and specific questions that are germane to this project and to people being able to decide how the project will proceed. If the Minister cannot answer all those questions now, will he agree to provide written answers to them?

12.20 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I congratulate my hon. Friend the Member for Bedford (Patrick Hall) on securing this debate. As chair of the all-party group on the Thameslink route, he obviously has a particular interest in the subject. I will try not to be diverted by questions on the recent performance of First Capital Connect, because there will be an hour-and-a-half debate on the subject tomorrow.

I welcome the opportunity to outline the good progress that is being made in delivering this vital programme that will transform the travel experience for many thousands of commuters in London and the south-east of England. The Thameslink programme is one of the Government's key transport priorities announced in the 2007 White Paper, "Delivering a Sustainable Railway".

The programme is a crucial part of our strategy to tackle chronic overcrowding on commuter routes—the hon. Member for Orpington (Mr. Horam) illustrated that well in his contribution—to provide capacity for future growth; and to deliver long-term benefits for passengers, the environment and the UK economy. Such a strategy is being achieved through a comprehensive modernisation programme, which will provide new and longer trains, upgraded stations and more frequent services through the centre of London, with up to 24 trains per hour in both directions.

The Thameslink programme aims to reduce crowding on current Thameslink and other commuter services; and to provide for the introduction of new cross-London services, so improving public transport accessibility in south-east England. For example, it will be possible to take a train direct from Cambridge to Gatwick airport, which must be good news for my hon. Friend the Member for Crawley (Laura Moffatt). The programme will also reduce the need for interchange between mainline and London underground train services and therefore reduce overcrowding on the underground, especially the Victoria and Piccadilly lines and the City branch of the Northern line. It will improve the reliability of train services operating through the core route section between London Bridge or Elephant and Castle and St. Pancras.

The programme itself delivers very substantial transport and revenue benefits in the region of £10 billion over the life of the programme. Those benefits are primarily due to the increased capacity and frequency that the scheme provides into and through central London, which, I think, answers the question of the hon. Member for Lewes (Norman Baker). The strength of the business case is such that everyone should support the scheme.

To deliver such benefits, major project works will be required in central London, which some have described as the equivalent of doing open-heart surgery on the centre of London. The most significant works will be at London Bridge station, where it will be necessary to widen the railway viaduct at the western side of the station at Borough, which the hon. Member for North Southwark and Bermondsey (Simon Hughes) mentioned.

Blackfriars and Farringdon stations are also being rebuilt and platforms are being extended at a large number of stations, both north and south of London, to enable them to be used by 12-carriage trains. Moreover, a new state of the art fleet of trains is being procured to replace the existing fleet and provide the capacity for the 24 trains per hour service. They will be the next-generation electric commuter trains and will be fully accessible for mobility-impaired users. I note the comments of my hon. Friend the Member for Bedford about freezing conditions. The new trains must be able to cope

[Chris Mole]

with 24 trains per hour through the core. They will have high specifications, which will deal with issues such as freezing conditions.

I am pleased to say that significant progress has been made in delivering the programme, which has been split into three distinct phases. Key output 0 was an enabling phase and saw the introduction, on 22 March 2009, of a new Thameslink train timetable requiring dual voltage trains. My hon. Friend the Member for Luton, North (Kelvin Hopkins) referred to the challenges of operating with the dual voltage train regime.

Key output 1 involves the construction of Blackfriars and Farringdon stations, which, together with platform extensions along the midland main line, will allow longer 12-carriage trains to operate from Bedford to destinations south of London, and there will be up to 15 trains per hour through central London. The infrastructure capability from such works is due to be available at the end of 2011.

Key output 2 provides the full functionality of the Thameslink programme. There will be 24 trains per hour through the central core section, which will be achieved through the resignalling and reconstruction of London Bridge station and its approaches together with a new fleet of approximately 1,200 vehicles. That stage is scheduled to be completed from December 2016.

The first enabling phase of the programme was successfully introduced on 22 March 2009. It involved the closure of the bay platforms at Blackfriars and the closure of the Thameslink Moorgate branch. That was achieved by linking the north and south services together and running them through the core central London Thameslink route using additional new dual voltage trains.

The key output 0 element of the programme was delivered on time and on budget despite supply difficulties with the new trains. Much of the success can be attributed to excellent co-operation across the rail industry, where temporary measures were put in place to supply dual voltage trains to mitigate supply problems.

I am pleased to report that all the required 23 dual voltage trains have been delivered and are now in service with First Capital Connect. All temporary rolling-stock mitigation measures that were in place since March 2009 have now been withdrawn.

The objective of key output 1 is to deliver interim benefits before the full scheme—key output 2—is completed. By December 2011, key output 1 will deliver the infrastructure capability to operate longer 12-carriage trains from the midland main line through the central core route and beyond. The scope of the works includes lengthening platforms on the midland main line to 12-carriage trains; major rebuilding of Farringdon station, including new ticket halls and interchange with Crossrail; the total reconstruction of Blackfriars station, including a new underground station, new platforms spanning the Thames on a widened bridge and an additional south bank ticket hall; and enhancements to rail systems involving signalling, power, communications and track, which should address some of the concerns of my hon. Friend the Member for Luton, North.

Network Rail made excellent progress over the Christmas period in completing critical works at Blackfriars where a new bridge was installed, at Farringdon where work to enable the integrated Crossrail ticket hall began, and at St. Pancras where new signalling was installed. Network Rail forecasts that the works for key output 1 can be completed to budget and on time. The 12-carriage infrastructure capability will be delivered by the baseline target date of December 2011. Such an improvement will provide significant crowding relief benefits to commuters on the midland main line and will be the first significant step change in capacity arising from the Thameslink programme.

The full functionality of the Thameslink programme, which is 24 trains per hour through the central London core section, is achieved through the resignalling and reconstruction of London Bridge station and its approaches, together with a new fleet of approximately 1,200 carriages, referred to as key output 2, and is scheduled to be delivered from 2016.

Key elements of scope include: major reconstruction of London Bridge station and approaches, including a new flyover at Bermondsey and a new viaduct at Borough market; a link to the east coast main line, north of St. Pancras Thameslink station; 12-carriage length platforms on outer areas south of London and on the east coast main line to Cambridge; enhancements to signalling, communications, power and track; stabling and depot connections; and automatic train operation through the core central London section. That answers the concern of the hon. Member for Wimbledon (Stephen Hammond) about the future of ATO.

In relation to depots, let me tell my hon. Friend the Member for Bedford that the Bedford depot will be kept in the short term to service the residual class 319 fleet until the full fleet of new trains arrive. In the long term, it will be kept for stabling for the eight-car element of the fleet of new trains.

Let me tell my hon. Friend the Member for Crawley that the project at Three Bridges is progressing well, and that no problems have been identified there.

Work has already started on widening the viaduct at Borough to the west of London Bridge station. That section of track is one of the most congested in the country, and is currently the key bottleneck for existing Thameslink services. For the remainder of key output 2, planning and optioneering are progressing very well, with final options being examined in detail by Network Rail. Significantly, a major upgrade is due to start at London Bridge station in the autumn.

The hon. Member for Wimbledon asked me innumerable questions, which I may have to write to him about.

Patrick Hall: Will the Minister take the opportunity to make it crystal clear that he and the Government are committed to completing the Thameslink programme?

Chris Mole: My hon. Friend stopped me from getting to my next paragraph. I wanted to say that the construction works at London Bridge are due to start in the autumn of 2012, following the closure of the Olympic games.

The Department for Transport is closely monitoring the costs of the Thameslink programme. We and our industry partners are both committed to and totally focused on delivering the full 24 trains per hour output to an affordable budget. Costs are constantly challenged across the entire programme to ensure that it remains affordable.

Multiple Sclerosis

12.30 pm

Mr. James Gray (North Wiltshire) (Con): I am delighted to have the opportunity of introducing this short debate on an incredibly important subject.

I have been involved with multiple sclerosis issues for many years now. I am chairman of the all-party group on MS and patron of two MS organisations, the North Wiltshire branch of the Multiple Sclerosis Society and Mutual Support, which is the military forces' branch of the MS Society. I am glad to have the opportunity to bring a very important issue related to MS to the Minister's attention.

In doing so, I want to start by paying tribute to the outstanding work of the MS Society, without which it would not be possible to raise these issues. It is a first-class organisation and shortly I will be talking about the manifesto that it intends to publish—later this week, I think—in the run-up to the forthcoming general election, which will raise a variety of issues related to MS. I know that all Members of Parliament will be sent a copy of that manifesto in due course and hopefully they will find time to pay attention to it.

Of course, this is not a party political issue of any kind at all. It is one that we in this place ought to pay attention to, because there are ways of making things better for the 100,000 or so people in England who suffer from this most debilitating disease. Sometimes I feel that cancer and heart disease achieve a higher profile in public awareness or in Parliament, but MS, in many respects and for many people who suffer from it, is no less debilitating and no less wicked a disease than those two more high-profile ones.

Lembit Öpik (Montgomeryshire) (LD): Will the hon. Gentleman give way?

Mr. Gray: This is an Adjournment debate, so if the hon. Gentleman does not mind I will not give way, as I have a lot to get through. I thank him all the same.

MS is a curious disease. However, we are getting closer to understanding what causes it and therefore to finding a cure, or at least a partial cure. There are oddities with MS. For example, the further one gets from the equator, the less likely one is to suffer from MS. Also, if one lives in a largely vegetarian society, such as those in Japan or China, one is much less likely to develop MS than people who live in western Europe. It is because of such curiosities that we are beginning to achieve some understanding of this dreadful disease, and as a result we can begin to find a cure.

Today's debate, however, is not about the attempt to find some cure for MS; it is about those drugs that ameliorate the symptoms of the disease. In particular, I am referring to the disease-modifying drugs, such as beta interferon and glatiramer acetates. Some 10 years ago, there was a terrible postcode lottery associated with those types of drugs. I remember very clearly being much engaged in the campaign to allow them to be prescribed on the NHS. I remember the particular example of Stephanie Millward, the Olympic swimmer from the village of Box in my constituency, who was not allowed to have beta interferon prescribed for her MS. She lived about 100 yards away from the border with Bath and at the time the local health service in Bath was prescribing beta interferon. That was a terrible postcode lottery and we campaigned very hard against it.

As a result of that campaign, we came up with a new scheme, the risk-sharing scheme. Under that scheme, it was established that, although the National Institute for Health and Clinical Excellence had said that beta interferon and the like were not cost-effective for the treatment of all MS sufferers, if the drug companies producing the drugs could demonstrate that the drugs were effective, the cost element could be balanced out at a later stage, as it were, by the NHS being given a discount for the provision of the drugs.

That is a broad-brush description of the scheme that we agreed to some 10 years ago. I remember that, seven years ago, there was a reception in Portcullis House and we all welcomed the introduction of the scheme, which was a very good outcome both for MS sufferers and for the NHS. Having said that, the purpose of this debate is to consider whether the risk-sharing scheme has worked to benefit either those people suffering from MS or the NHS.

The scheme has delivered some benefits. To begin with, more people have been prescribed beta interferon or the other disease-modifying drugs than would otherwise have been the case. For example, Stephanie Millward has been prescribed beta interferon for the last seven years. I see her very often and she tells me that it has definitely improved the symptoms of her MS. So, it is a good thing that more people have had such drugs than would otherwise have been the case.

There have been one or two positive side effects of the scheme. There are now about 200 specialist MS nurses provided to the NHS, which is hugely beneficial. They do a superb job and it is very important that we find ways of keeping them going in our local communities, although they have been somewhat challenged in recent years.

Has the risk-sharing scheme really and truly worked, however? Do we now know more about whether beta interferon and the other drugs work? Do we now know whether they work for particular types of patient? Also, is the scheme cost-effective?

One would have thought that, after a seven-year scheme such as this one, the Government would be ready to come forward with a few answers to those questions and would be able to say that the scheme is working, that it is working for some patients, that it is saving us money, or that it has made the world a better place. That is why those of us in the MS community, as it were, find it very curious that we still do not know the answers to those questions. The Government have delayed publishing the first analysis of the scheme. I hope that the Minister, in his winding-up speech, will be able to tell us when the Government plan to publish that.

Those people who know about these things—particularly those who work for the MS Society and other such organisations—have detected what seem to me to be absolutely fatal flaws in the scheme as a whole. The whole methodology of how the scheme was put together is flawed. It has taken us seven years to realise that, but the statistical and methodological inadequacies of the scheme mean that, even when the Government come out and publish the interim report on whether it has worked, we will question whether an accurate conclusion has been reached.

[Mr. Gray]

Of the 5,000 people who were part of the tests under the scheme, quite a large number are sadly no longer with us and others are unable to say whether the scheme has worked. Since there was no cohort of people who were not suffering from MS but who were tested on the drugs, it is very difficult to say statistically whether the scheme has worked.

The first two-year cost-effectiveness analysis of the scheme, which took a very long time to produce, finally appeared in the *British Medical Journal* in December 2009. That analysis appears, at first sight, to show that the progression of the disease was worse than predicted for those people who were on the disease-modifying drugs and it was also worse than it was for those people with MS who had not taken the drugs. So, at first glance at that BMJ article in December, it would appear that the scheme has not worked and that the drugs themselves do not work. However, the article goes on to undermine its own conclusions by saying that the methods used in coming to them were flawed, so the conclusions can be questioned.

What is more, under current plans the scheme will run for another five years and the same flawed methodology will be used for that time. So, conclusions reached in 2015 as to whether the scheme is a good thing will be made using flawed statistical analysis. In any case, by 2015, when those conclusions come out, most of the drugs in question will have reached the end of their patent date, and so it will no longer be interesting to know whether they have worked.

Furthermore, the cost adjustments that the drug companies may or may not have to provide to the NHS at the end of that time are not retrospective. The scheme will have been running for 10 or 15 years; it may be concluded that the drug companies should pay money back to the NHS; but because the scheme is not retrospective, it will not matter. Any cost adjustments will apply only looking forward from 2015, not looking back. Therefore, there is no financial benefit for the NHS.

Perhaps the scheme is working for people with MS. After all, its purpose was to try to demonstrate that the drugs are available to people with MS on an equitable basis. However, a glance at the league table of the drugs' availability across Europe demonstrates that Britain is near or at the very bottom. Anywhere else in Europe, people with MS stand a better chance of getting the drugs on their national health scheme. We do not supply the drugs ourselves; the scheme that we implemented to judge whether they work is not working because the arithmetic that it uses is flawed; and people with MS here are less likely to get the drugs than those in France, Germany or elsewhere.

In addition, the prescribing theory for the drugs is out of step with medical science. They are injectable drugs, but since the scheme was implemented, a variety of non-injectable oral drugs to treat MS or its symptoms have been introduced. It is widely presumed that within a year or two, the oral drugs will be better than injectable beta interferons for treating symptoms. In other words, the scheme is desperately trying to prove whether a drug works, but by the time the proof arrives, the drug will be out of date anyhow. It is entirely flawed.

The Association of British Neurologists has said that oral drugs are well advanced along the pipeline and that, in two years, they rather than injectable drugs will be the right drugs to prescribe for MS. People with relapsing-remitting MS will have up to 10 drug options within two years. The MS Society and the MS community want equity of availability of oral drugs, but the continuation of the risk-sharing scheme for injectable drugs may well mean that oral drugs become more difficult to obtain or prescribe for MS patients than if the scheme were scrapped.

The NICE guidelines on MS risk-sharing drugs have stagnated while we await the data. The NICE clinical guidelines on the standard of care that people with MS in England and Wales are entitled to expect are now hopelessly out of date because the risk-sharing scheme is not even scheduled to be updated until 2015.

What do I hope the Government will do? I must not make a party political point in a debate such as this about what an incoming Government, of whatever party, might do after the general election. The scheme cannot be mended. It has been in place for seven years; its statistical flaws have been present for seven years. It cannot be mended in the hope that it will become better by 2015, when it will end. The scheme, frankly, is knackered. It is flawed and it is not doing the job that it was set up to do.

Advances in medical science—along with advances in policy such as patient access schemes, which are a rather good thing allowing patients to access the drugs that they need—have overtaken what we thought at the time was a good scheme. The scheme has become outdated and sclerotic. Its outcome will be little more than an academic exercise of limited benefit to people with MS.

Some 100,000 people in the UK suffer from this most appalling and debilitating disease. They want better than they are getting. MS must become a priority today for the next five years; it must not wait five years to become a policy priority. That point is brought out clearly in the excellent manifesto that the MS Society will publish later this week.

The fact is that despite the great strides made in medical science over the past few years, the disease-modifying drugs risk-sharing scheme is out of date and sclerotic. It does not work for the national health service or people with multiple sclerosis. Anyone with half a brain would call for its abolition.

12.43 pm

The Minister of State, Department of Health (Mr. Mike O'Brien): As is traditional, I congratulate the hon. Member for North Wiltshire (Mr. Gray) on securing this debate. The effective treatment of multiple sclerosis is important for the Government, for health professionals and, of course, for sufferers of multiple sclerosis and their friends and families. As chair of the all-party group on multiple sclerosis, he has been closely involved with the Multiple Sclerosis Society, whose concern about the risk-sharing scheme appears to have prompted this debate. I associate myself with his expressions of support for the good work done by the MS Society, which is an important national health service stakeholder. We certainly regard the treatment of MS as a priority for the NHS.

My Department has been working with the MS Society to understand its perspective better and, if possible, to address some of its concerns. It may help, therefore, if I set out the Department's position.

Lembit Öpik: Does the Minister accept that many of the points made by the hon. Member for North Wiltshire (Mr. Gray) also apply to motor neurone disease? I thank the Government for the significant support that they have given the Motor Neurone Disease Association in its efforts to find better forms of care and a cure for the disease. I exhort the Minister to carry on the strong relationship between the association and relevant Departments that has done much to give hope to those experiencing motor neurone disease.

Mr. O'Brien: I appreciate the hon. Gentleman's concerns. I assure him that we as a Department wish to continue the close working relationships that we have developed in dealing with motor neurone disease.

Multiple sclerosis can be difficult to diagnose and treat. There is no conclusive diagnostic test, and symptoms may also indicate other conditions. A thorough clinical examination is key to diagnosing MS, and the progression of the condition is variable and unpredictable.

There are four different categories of multiple sclerosis: benign, primary progressive, relapsing-remitting and secondary progressive. Since the first drug for treating relapsing-remitting MS was licensed in 1995, views have differed about the clinical and cost-effectiveness of treatments. That has led in turn to variable access for patients and justifiable allegations of postcode prescribing. For that reason, the issue was one of the first to be referred to the National Institute for Health and Clinical Excellence when it was established in 1999.

In January 2002, NICE published its appraisal guidance on the use of four treatments for multiple sclerosis: the beta-interferons Rebif, Avonex and Betaferon, and the drug Copaxone. NICE was unable to recommend those treatments for NHS use at 2002 prices, largely because it was not possible for NICE to reach a positive evaluation of the drugs' long-term cost-effectiveness from the short-term results available from existing clinical trials. NICE then invited the Department of Health and the Welsh Assembly to consider how the drugs could be made available to patients in a cost-effective manner.

In February 2002, the UK health Departments and the four relevant pharmaceutical companies set out the agreed basis for a risk-sharing scheme that would allow the four treatments to be prescribed according to the Association of British Neurologists' 2001 guidelines. The scheme established a 10-year monitoring study to collect data on the progression of the disease among treated patients. The aim is to help assess the uncertainties that concerned NICE.

At the time, the scheme was supported by all the relevant parties, including those who represent health professionals and the MS Society. Under the scheme, all people with MS who meet the criteria developed by the Association of British Neurologists are eligible for treatment if their clinicians consider that they will benefit. A statutory direction requiring the NHS to fund such treatment was expected to eliminate some of the vagaries of postcode prescribing for the treatments, and we are not aware of any evidence to the contrary, including from the MS Society.

If the treatments in question do not perform as expected over the life of the scheme, the manufacturers will share the risk of failing to achieve the anticipated outcomes by subsidising their future cost to the NHS. Gauging whether the drugs are performing better or worse than anticipated is the most difficult aspect.

The MS risk-sharing scheme has brought together patient and professional groups, the Department of Health and the pharmaceutical industry in a unique way. It has improved significantly the overall care and support available to people with MS. It has given more than 12,000 people with MS access to drugs to treat their condition, funded an increase in specialist MS nurses and strengthened the development of a UK network of more than 70 specialist MS treatment centres.

The MS risk-sharing scheme is extremely complex. Data are being collected on about 5,500 patients.

Mr. Gray: I think the Minister will find that 5,500 was the number of patients at the beginning of the scheme in 2002. Sadly, a significant number of those have died or have left the scheme. How many people are currently being studied under the scheme?

Mr. O'Brien: I do not have the current figure, but I am advised that data have been collected on those people. Some of them are no longer with us. However, the data are being analysed to identify the efficacy of the drugs. The fact that somebody has passed away does not mean that their data are irrelevant to the analysis. In fact, they may be of enormous relevance in identifying how effective a drug is.

The first two-year interim analysis of the scheme was published on 2 December 2009 in the *British Medical Journal*. Acting on advice from the scheme's independent scientific advisory group, the study concluded that it was too early to reach firm conclusions about the cost-effectiveness of the drugs. That is not surprising for a scheme with a much longer time scale. The scientific advisory group is addressing several important methodological issues that are integral to the scheme, including the need for an additional comparator data set to ensure that there can be appropriate comparisons. I hope that its work will lead to more meaningful results when the next analysis takes place later this year.

Only one other treatment has been licensed for MS and is available to sufferers. Tysabri received a positive recommendation from NICE in 2007. The NHS is therefore obliged to fund treatment considered by clinicians to be within the terms of that recommendation. We will, of course, investigate any concerns that primary care trusts are refusing to fund the use of Tysabri as recommended by NICE. NHS figures show that the observed use of the drug is rising and, when they are available, the 2009 figures are likely to reach or exceed the level predicted by NICE. If there is any evidence of postcode prescribing, we will be anxious to see it.

I note the point about comparisons between countries, but with all these drugs it must be recognised that different patients and their clinicians take different views on the balance between a drug's benefits and its side effects. That leads to some legitimate variation in use. We must be careful not to ascribe to postcode lotteries variations in clinical views about the use of particular drugs. Clinical judgments should not be confused with the way in which the financing of a system or scheme works.

As the hon. Gentleman said, there are two new oral therapies. Cladribine and Fingolimod are being developed for the treatment of relapsing-remitting MS. Cladribine, also known by its brand name Leustat, is an anti-cancer agent used in the treatment of leukaemia. It is not yet

[Mr. Mike O'Brien]

licensed for the treatment of MS, but it is currently in clinical trials. Fingolimod is a new oral treatment, which is currently in phase 3 clinical trials for relapsing-remitting and primary progressive MS.

Both drugs have been referred to NICE for appraisal, subject to receiving a licence from the regulatory authorities. If they are recommended by NICE, the MS risk-sharing scheme will not detract from their appropriate use. Although the trial results for the drugs are promising, it is impossible to say whether they will remove the need for the drugs in the risk-sharing scheme.

The process of developing drugs is happening in parallel with the risk-sharing scheme. Not all drugs necessarily go into the risk-sharing scheme. We are anxious to work with the MS Society to develop a process that works, by which drugs are made available to people with MS. We cannot pretend that the data are available, when they must still be analysed properly. NICE must be satisfied that it is in a position to take a view.

Mr. Gray: The Minister is saying that the right drugs must be given to the right people at the right time, and I am sure that all sensible people would endorse that view. I judge from a hint in his remarks that if over the next two or three years medical science developed drugs more effective than those being used under the risk-sharing scheme, there is a possibility that the scheme would be abandoned in favour of those newer drugs.

Mr. O'Brien: That is potentially right, although I cannot give the absolute reassurance that the hon. Gentleman seems to want. New drugs are coming forward that operate outside the risk-sharing scheme. The issue is whether the clinical trials produce enough data to enable NICE to take a view on the efficacy of the drugs and their cost-effectiveness. If that is possible, approval might be given, as it has been for drugs that treat other conditions and one that treats MS. Consent will be given only if there are adequate data.

I accept the hon. Gentleman's point that we are using the risk-sharing scheme to evaluate drugs that are being overtaken by other drugs. That should not invalidate the risk-sharing scheme; if in the meantime it is producing an outcome that benefits MS sufferers, such as giving them access to the drugs, and if that is cost-effective for the NHS, that is good. The issue would be of legitimate concern if we were trying to funnel every drug into the scheme, but we are not. We are saying that we should look at the data, evaluate the evidence and examine the extent to which particular drugs work. NICE has the independent role of doing that. If it is able to approve particular drugs, it will approve them and they will become available to MS sufferers outside the risk-sharing scheme. I hope that that provides him with some reassurance.

I have listened with great care to the hon. Gentleman and I understand his concerns and those of the MS Society. The risk-sharing scheme has brought significant benefits to people living with multiple sclerosis across the UK. We are determined to make further progress on these issues and will continue to work with patient groups, professionals and pharmaceutical companies to ensure that, through the risk-sharing scheme and other approaches, we continue to provide good quality NHS services and drugs for people with MS.

Mr. Gray: If it were brought to the Minister's attention by officials or other people that some of the methodology used in the analysis of the statistics in the risk-sharing drug scheme was wrong and that the usefulness and cost-effectiveness of the drugs could not be assessed, would he consider dropping the scheme?

Mr. O'Brien: The appropriate organisation to talk to about the methodology is NICE. The object of having an independent body to consider such issues is that it will have access to all the data, it will not be subject to political pressures and it will respond to objective scientific analysis and, we hope, cost-effectiveness. As a result, if there is a problem, NICE should be able to address it. That is where the information should go. If the hon. Gentleman wishes to give the information to the Department, I will be happy to forward it to NICE on his behalf.

Education Maintenance Allowance

1 pm

John Robertson (Glasgow, North-West) (Lab): I am delighted to have secured the debate and to have the opportunity to exchange views with my hon. Friend the Minister. I look forward to hearing his comments on the wider issues that I shall raise. I would like to discuss the future of the education maintenance allowance scheme and the effects of cuts on the young people who rely on it. I will mention the fears of charities and other non-governmental organisations that represent further education students, and tell the Minister my experience of what has happened in relation to cuts made to the EMA north of the border. That is an example to keep in mind of what could happen.

The Government have a record second to none on funding further education. For those listening today who are unaware of EMAs, let me give a brief explanation of what they are and why they are such an essential part of further education support. EMAs are means-tested allowances of £10, £20 and £30 a week that are paid to 16 to 19-year-olds who stay in education and come from families where the annual household income is below £30,000. The EMA payment is conditional on attendance. The policy intent of the EMA is to broaden participation and improve the retention and attainment of young people aged 16 to 19 in post-compulsory education. EMAs were introduced nationally in September 2004 to reduce this country's post-16 drop-out rate, which was one of the worst in the developed world at that time.

What success has the EMA scheme had since 2004? Research by the Institute for Fiscal Studies shows that attainment in GCSEs and A-levels by recipients of the EMA has risen by 40 per cent. since its introduction. That figure is even greater for those living in the most deprived neighbourhoods. In addition, RCU market research services carried out research on the national scheme and published a report entitled "Evaluation of EMA National Roll-Out 2007", which concluded

"that EMA has had a positive impact on the retention, achievement and success of certain groups of learners…traditionally associated with lower levels of achievement such as: male learners; learners from minority ethnic groups; those with backgrounds of high deprivation and learners on lower level and vocational courses."

Ipsos MORI published a report in 2008 entitled, "Evaluation of Extension of EMA to Entry to Employment and Programme Led Apprenticeships", which reached similar conclusions to the RCU research. It stated that the EMA has reduced the number of NEETs—those not in education, employment or training—and has

"motivated learners to…work harder."

So, as hon. Members can see, the scheme has been widely recognised by independent authorities as a success, and the arguments by those opposed to the scheme are easily silenced.

It was with mixed emotions that I welcomed last week's statement by the Secretary of State for Children, Schools and Families, in which he announced plans to spend £580 million on the EMA in order to fund a further 80,000 places, because he also mentioned that, from 2011, poorer pupils who qualify for the EMA—a payment of £10 to £30 each week, as I said—will no longer receive an extra £100 for every six months they stay in education.

Charities and organisations that represent young people receiving the EMA are extremely concerned about recent announcements to scrap the £100 bonuses, particularly when the evaluation evidence for the bonus scheme found that around two thirds of EMA recipients who were questioned agreed that the bonus system made them work harder. The same proportion said that they attended more lessons because of the EMA attendance bonus rule. Furthermore, those who work closely with students on the EMA inform me that payments and bonuses are an important part of what allows them to continue in further education. I would be interested to hear the Minister's views on that matter.

Unfortunately that is not the only fear regarding EMAs. There is a growing fear among all those interested in the subject that when the school leaving age is raised to 18 in 2015, the need for an incentive will become redundant. Will the Minister also comment on that and say whether it is to do with the problem that the EMA is classed as an incentive rather than a welfare payment, because receipt of an EMA does not affect other family benefits? The Government should consider reclassifying EMAs as payments that are intended to be supportive, rather than solely an incentive, so they can be viewed in the same way as jobseeker's allowance. Otherwise, when the school leaving age is raised to 18 in 2015, EMAs will become defunct as an incentive.

My hon. Friend should consider, for example, those who are living independently at an early age, as they may need particular support. Access to financial support may be one of the main barriers to participation in education. In general, some of the key barriers include course fees, travel expenses, the cost of food and other essential items, and costs associated with a course or placement, such as equipment. There is a lack of comprehensive advice and guidance for young people on their entitlement to benefits. For those living with families on low incomes, the overall impact on family finances should be considered. In some instances, young people have been discouraged from taking part in education. That is why I believe that the EMA should be guaranteed beyond 2011.

Let me give a Scottish example. I am aware that we live in a time when finances are tight and budgets must be pruned, but I believe there is a good example showing why such action should not be taken on EMAs. As my hon. Friend will be aware, the EMA system is devolved and each Administration have their own policy responsibility for it. However, not all Administrations have been as considerate as this one in protecting students who come from low-income families during the recession. For example, this academic year, in my constituency of Glasgow, North-West, the EMA has been cut by 20 per cent. My MSP colleague, Bill Butler, has informed me of the upsurge in constituents who are worse off because the Scottish National party-led Administration have cut the EMA budget by 20 per cent. and there have been changes to the scheme's eligibility criteria which lowered the threshold for the £30 payment and axed the £10 and £20 payments.

Those £10 and £20 payments may seem insignificant to some in the House, but a survey carried out by the National Union of Students in 2008 found that 65 per cent. of participants on the highest EMA rate of £30 stated that they could not continue to study without the EMA. As already stated, the maintenance allowance

[John Robertson]

removes some of the barriers to participation in education, and the £10 and £20 brackets are useful in that case, particularly for covering costs towards transport, food and many other things.

Furthermore, unfortunately there are fears that the progress made will be undone by the SNP Administration enforcing changes to the eligibility criteria. That will cut support for those receiving £10 and £20, and cut the allowance to families with an income of between £20,351 and £22,403 with a child, who currently receive the maximum £30. Figures released by the Scottish Government last Wednesday on the EMA show that the old system developed under Labour was successful, with 39,110 college students and school pupils from low-income families taking up the allowance in 2007-08, which means the figure has increased from 38,760.

The figures also show that the allowance helped school pupils from low-income families stay on in education, with 77 per cent. of school pupils on the EMA scheme for a full year completing the attendance rates and learning expectations set out for them, compared with 70 per cent. in 2006-07. The proportion of those receiving £10 and £20 payments who completed the scheme increased to 82 per cent.—the figures for 2006-07 were 74 per cent. for those on £10 payments and 73 per cent. for those on £20 payments. I know that the Minister has no responsibility for the administration of the EMA in Scotland, but the figures show what could happen if support is removed from students on the EMA. That view is supported by NUS Scotland, which believes that those cuts to the EMA scheme by the SNP Administration will lead to almost 8,000 students dropping out this year.

What are the views of other parties on the EMA? We know where the SNP stands on it, as I have just said. The views of their Westminster friends, the Conservatives, are not dissimilar. The Leader of the Opposition has previously refused to give a straight answer on the EMA, notably during a Sky interview in 2007. Things looked briefly hopeful two weeks ago when he was pushed to answer on whether he was committed to the EMA and responded that he was. However, it did not take long for that to change: only last week, I am informed, when the shadow Minister responsible for the matter, the hon. Member for Havant (Mr. Willetts), was asked about it by the NUS's Shane Chowen at an event on further education, he responded that it was

"difficult to commit to it in the current climate."

I guess that should come as no surprise, as previously the Conservative party and those on the right have held a highly negative view of the EMA.

Only last year in the House, the shadow schools Minister, the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb), described the EMA as a "fiasco". The shadow Home Secretary, the hon. Member for Epsom and Ewell (Chris Grayling), has described it as doing

"absolutely nothing to help solve this country's chronic skills shortages."

Furthermore, the shadow Children, Schools and Families Secretary, the hon. Member for Surrey Heath (Michael Gove), has even called the EMA a "flop". If they had done their homework, they would have known about its success.

It is also important to mention the views of those who influence the policy of Opposition parties. Right-wing think-tanks have been even more disparaging about the EMA in the past year. Policy Exchange, a favourite think-tank of the Leader of the Opposition, called for the EMA to be axed in its publication "Schools Funding and Social Justice". There is not much justice for students there. Reform, another favourite of the Conservative Front Bench, advocates scrapping the scheme, telling *The Guardian* last year that

"this is not an effective way of spending over half a billion pounds of education budget."

Perhaps if it asked the students who receive EMAs and their parents it would get a different answer. Two other influential groups on the right, the Institute of Directors and the TaxPayers' Alliance, called for the EMA to be axed late last year in their joint document "How to save £50 billion".

If we want a better barometer for the feelings of Opposition parties, we should look at their lack of support for my early-day motion 422. More than 80 Members have signed that early-day motion, but only one Conservative and three Liberals are among them. I wonder which party really cares about the education of young people.

In conclusion, I have to ask some questions of all those connected with the EMA—I know that the Minister cannot answer for Opposition parties, but hopefully when their spokespeople read the debate they will write to me with their answers. Why would Opposition parties want to stop people from low-income families staying in education? What are their real motives and plans for the EMA? Why can they not commit to the EMA scheme? No ifs, no buts, just commit to it. What will the Minister do to take into consideration the concerns of those student leaders worried about the financial loss that will be incurred by the removal of the bonuses in 2011? Does he agree with me that, because of the EMA's importance to students from low-income families, it should be supported beyond 2011? I look forward to hearing from him and to the correspondence from Opposition leaders.

1.14 pm

The Parliamentary Under-Secretary of State for Children, Schools and Families (Mr. Iain Wright): May I begin by saying what a pleasure it is to serve under your chairmanship for the first time, Lady Winterton? I congratulate my hon. Friend the Member for Glasgow, North-West (John Robertson) on securing the debate—I hope that his cough gets better soon. He has hit the nail on the head in the debate, as the education maintenance allowance is an important and often overlooked aspect of education policy.

I would hardly accuse my hon. Friend of overlooking the issue, though; he is renowned in the House and elsewhere for his passion for social justice, and he has been incredibly energetic in campaigning in support of EMA, both in the House and elsewhere. He referred in his excellent speech to his early-day motion 422, which has been signed by more than 80 hon. Members. I would like to pay tribute to his work on that matter.

I think that my hon. Friend would agree that we all want young people in this country to be able to go on to further education, regardless of where they live, their

background or their family income. There is, and has been for many decades, a direct correlation between household income and participation rates in education and training post-16. Those from low and middle-income households have often been deterred from going on to college because they simply could not afford it. They could not afford to pay for things such as equipment or transport, and EMA has helped to start to break that link. It is clear, therefore, that EMA has had a huge—arguably unprecedented—impact on students of this country, with regard to participation and attainment.

We know that EMA works. It was subject to one of the most extensive and robust evaluations of any education initiative ever undertaken in England. The allowances have helped raise participation, retention and attainment of qualifications among young people, particularly from lower-income households. Evaluation from the pilots found that EMA was successful in raising participation by about 4 per cent., and attainment by between 2 and 2.5 per cent. Since the EMA pilots, participation in full-time education has risen markedly year on year for 16 to 17-year-olds.

It is fair to say that we have to look at other forces that might also be at work in that regard; it is difficult to pinpoint a specific policy and say, "That is the reason for increased participation." However, it is true that EMA was the largest single policy initiative specifically designed to raise post-16 participation in that period, and it has been hugely significant in allowing young people to gain the skills that they need. It remains an important and necessary part of the offer that we provide to young people.

About 45 per cent. of 16 to 18-year-old learners in full-time education currently receive EMA. As of the week beginning 18 January last month, almost 600,000 young people had received an EMA payment. That is almost 80,000 more than at the same time last year. That huge increase will have a positive impact on skills levels for people in this country for decades to come.

I could talk about hundreds of thousands of people and the billions of pounds that we have invested in learning for 16 to 18-year-olds, but it actually comes down to individual lives and individual young people being given opportunities. One example that sticks in my mind is that of a young man named Jordan, a catering student from Bolton, who now works for one of Britain's most renowned seafood chefs. On receiving his EMA, he said:

"This is a dream come true for me. Receiving EMA made a big difference and helped to pay for my college trips and cookery equipment."

There are hundreds of thousands of people like Jordan across the country who could testify in the same way.

John Robertson: That is a good example. Would my hon. Friend agree with me that that money also gives stability to people who perhaps did not attend school regularly? The small incentive that they receive for attending further education puts them in good stead for the future. They will, in effect, have been to work in further education and will have that background when they go into employment in future.

Mr. Wright: I will answer that in two ways. First, I absolutely agree with my hon. Friend; he also touched on the point in his speech. EMA is not a handout, as it offers something for something. There are recognised and agreed standards for behaviour, attendance and punctuality, which are all important in order to receive the EMA. In modern life, business depends on that maturity, and EMA can help to inject that level of maturity for 16 to 17-year-olds. Secondly, he is absolutely right that it gives that degree of certainty, which, for those from fluctuating, low-income households, can really mean the difference between staying on in college and not going to college and ending up with lower prospects for the future.

In a nutshell, that was why we introduced an EMA guarantee. It means that learners who have had a successful household income assessment are guaranteed the same level of EMA for up to three years. As my hon. Friend said, the guarantee provides young people from lower income groups with an assurance of financial support while they undertake further education. Such an assurance can be important, because it enables young people to have certainty about what support they can receive as they progress in 16-to-19 learning.

I hope that I have made it clear that the EMA has helped more and more students to take part in further education and training. However, it was right and proper for my hon. Friend to probe and question the Government and other parties on the future of the policy, so I want to take this opportunity to outline where I see the EMA going in terms of the future of our ambitious reforms to support more students to take similar paths in their education.

Let me be frank. I do not agree with the Opposition's policies on this matter. As my hon. Friend said, the EMA is a devolved matter. Scotland and Wales will come up with their own policies on it, but I do not agree with what is being done in Scotland. Some of the examples and illustrations that my hon. Friend gave really concern me. People from lower and middle-income households will be deprived of the chance to stay on in school, college or training from the age of 16 onwards. That is not what this Government want, and I heartily disapprove of such a policy.

I am not entirely certain about this, but I believe that the Conservatives wish to abolish the EMA. As my hon. Friend said, the shadow Minister for Schools and Learners, the hon. Member for Bognor Regis and Littlehampton (Mr. Gibb), has gone on record as saying that it is a fiasco. The shadow Children, Schools and Families Secretary, the hon. Member for Surrey Heath (Michael Gove), said that it is a flop. The Leader of the Opposition, who rarely mentions 16-to-18 policy at all, stated to the Young Foundation:

"Well we're in a state of quite severe flux on this whole area of 16 to 18 education, so I can't give you a straight answer"

on the EMA.

We give 16-to-18 education more importance and certainty than that, so let me give my hon. Friend a straight answer: we will invest a total of £8.2 billion in 2010-11 to fund learning for an unprecedented 1.6 million young people, and we will increase funding for 16-to-19 learning by 0.9 per cent. in real terms, in both 2011-12 and 2012-13, to allow us to continue our commitment to the September guarantee, which guarantees a place in college or training for 16 to 17-year-olds. That reflects the importance that this Government attach to the whole issue of 14-to-19 education. Our ambition is for

[Mr. Iain Wright]

every young person aged 16 to 17 to participate in education and training, thereby building the skills and qualifications that they need to succeed.

My hon. Friend touched on another important point. I can understand the risks and concerns in respect of our historic commitment to raise the participation age, which has been talked about in this country for more than a century. We will raise it first to 17 in 2013 and then to 18 in 2015.

How will that impact on EMA? Again, my hon. Friend was right to mention this, so let me give a straight answer and be very clear. Some young people will always need support, financial or otherwise, to participate in and take advantage of the wide range of potential learning opportunities out there. Once the participation age is raised, young people will still have the option to work full time, as long as they continue to participate in learning part time. We must ensure that their learning choices are not hampered or constrained purely because of their economic or financial circumstances.

Let me be as blunt as I can in reiterating a phrase that my hon. Friend used: no ifs, no buts. We will continue the EMA when the participation age is raised. It has helped more young people than ever in the history of our country to stay on in learning, and it will continue to be important in the future. The fact is that this Government remain absolutely committed to safeguarding EMA.

My hon. Friend, whose contribution to this debate was balanced, mentioned his concern and the concern of others about the ending of bonuses as part of the EMA offer by January 2011. We will not shy away from taking tough decisions in order to support the participation of even greater numbers of young people. The savings that the ending of bonuses will produce, alongside additional investment announced in the Budget and pre-Budget report, will mean that an extra 80,000 learners will be able to claim EMA from 2010-11.

I have to be blunt with my hon. Friend: evidence has shown that the bonus payment was often viewed as some kind of reward—something that, obviously, was nice to have, but not as essential as the weekly payment for participation in learning. The weekly payment, whether £10, £20 or £30, is the key factor in allowing people to stay on in education and learning, whereas the bonus was often used for social expenditure, for buying mobile phones, iPods and so on. It was only occasionally used as a contribution to term-time costs. It is difficult to generalise, I cannot mention specific circumstances and I have had letters clearly stating that that is not the case. However, we have to look at the wider context of other offers and other help, support and assistance such as child benefit and tax credits, and at the increase in the discretionary learner support fund that we have provided to help and support young people in college who find themselves in difficult financial circumstances.

I would like to thank my hon. Friend for this opportunity to debate an important but often overlooked aspect of policy. I know that he wants to ensure that students get the support that they need to go into further education or training, without financial matters being a barrier. I am committed to ensuring that the EMA will continue to give crucial support to the students who need it the most—no ifs, no buts. I hope that I have demonstrated our clear commitment to EMA and to ensuring that people from lower and middle-income households continue to receive it. I look forward to hearing from my hon. Friend about the Opposition's response.

Ann Winterton (in the Chair): As both the Member concerned and the Minister are here, we can start the next debate a few minutes early.

Schools Funding (Cornwall)

1.27 pm

Matthew Taylor (Truro and St. Austell) (LD): Thank you, Lady Winterton. It is nice to get the leeway of a few extra minutes. That is very welcome.

I want to speak about an issue that has been of great significance to me for the 23 years that I have been a Member of Parliament: delivery of education of the best quality possible in our schools in Cornwall. The context now is one of severe funding constraints that are partly historic and that partly look forward to the realities of the likely impacts of the credit crunch and deficits on spending in the next spending round, particularly on the capital side. The Government, whoever may be in power, will have to deal with that, and with how those constraints are filtering down to create pressures in Cornwall right now. A review of schools has been initiated that may lead to the closure of smaller schools in particular.

In terms of funding per pupil place in school each year, Cornwall is the 141st worst-funded local education authority in England, right down at the bottom of the list. Alongside it are similar poorer rural communities in Devon, Somerset and other places across the country. I share the strong sense that the present funding system does not adequately address the needs of rural communities; in particular, it does not adequately address the needs of the poorer and most disadvantaged rural communities, where poverty can be intermingled with apparent wealth, and where it exists in what most people regard as extremely pleasant surroundings. That does not make things any easier for individual families or for the schools.

My village school at St. Dennis does an absolutely fabulous job in all respects, but, like Whitemoor and Roche schools up the road, it has to cope with an intake of very disadvantaged children who need all kinds of special support. It has to deliver that in the context of much lower funding than that delivered in urban deprived communities. Cornwall council has just initiated a review of primary schools, the implicit threat being that a number of schools potentially face closure, partly in the name of tackling surplus places and high cost, although I am sure that that will be described in terms of the quality of educational opportunity offered to children.

I want to challenge the Minister to make a solid commitment to improving funding for the rural disadvantaged communities that I am talking about, and I do so only too well aware of the financial context. More importantly, I recognise that village schools cannot be properly valued by a simplistic model that attaches so much emphasis to surplus places across a local education authority. One core reason for that is that, in a community with a large number of small schools, a large number of surplus places overall may not correspond to many empty seats in any one school.

It is not possible to rearrange the provision of education in a rural setting in the way that that is possible in an urban setting, where it might be easy for children to go to another school: if one school closes, another will be near on hand. In rural areas, the closure of a village school is devastating for the children and the community, because it often means a lengthy bus trip, at best, to a school that is relatively remote and it often means the heart being ripped out of the community.

Let me provide a little background. As of January 2009, there were 237 primary schools in Cornwall, ranging in size from those with 499 pupils to those with just 11. More than 36,000 pupils are on roll, but they are dispersed in a number of schools of different sizes over a wide area. On attainment levels, the community is disadvantaged, with many children with all sorts of difficulties entering the primary schools. That is reflected at key stage 1, with a slightly below-average national score, but a good score in a contextual analysis. By key stage 2, level 4 attainment is broadly in line with the national figures, despite that disadvantaged entry, and at key stage 4 in secondary schools the children do well in a contextual basis.

So there is no question but that the schools deal well with a difficult intake and help push the children further in respect of the national comparison. That does not just happen because the children are in the hands of the wonderful staff and teachers in the schools; it is also a reflection of the kind of communities that the children live in, where there is disadvantage and poverty and all sorts of problems, but also a stronger community and neighbourhood than those in which children in poorer more urban areas all too often live. As a result of that, no primary schools in Cornwall are in special measures and only one school has a notice to improve—and it looks as if that will be removed shortly.

The estate includes a lot of old schools: 20 primary schools still do not have a hall, there are 104 temporary classroom buildings and the backlog of maintenance is estimated at some £25 million. Although we welcomed the pathfinder status for Cornwall and although there has been investment, there is still a lot to do. In this context, understandably, Cornwall council is concerned about future capital allocation and is well aware that surplus places will be one of the core drivers of whether money is made available.

If the surplus places are not removed, the money is unlikely to come through for the improvements that are obviously needed in the context of so many schools being without even a school hall, for example. With surplus places at 11 per cent. and a forecast for that figure to increase over the next four or five years, there is, as a result of national funding programmes, real pressure on the country to do something about the issue. The difficultly is that the surplus places are, by and large, scattered over large numbers of schools and not concentrated, meaning that the pressure is on to close schools out of the system.

Added to that is the reality of the costs of delivering education to children in relatively small schools. The outcomes in small schools are good. I have long hosted meetings annually with Members of Parliament in the House of Commons for a number of organisations that campaign on behalf of small schools. We have consistently shown the data showing good outcomes from small schools. There can be bad outcomes when those go wrong, but when such schools are well run they produce better than average outcomes.

One argument often made for closure is that small schools with a small teaching staff cannot adequately provide for the wide age range among children, but the data show that that is wrong. The flip side is that in Cornwall the cost per pupil for delivery, comparing the difference between the largest and smallest schools,

[Matthew Taylor]

ranges from just under £2,500 per pupil to some £15,000 per pupil, with the average being about £3,500. There are real costs in the delivery.

The truth is that delivering education in small village schools is fundamental to the sustainability of many smaller communities. Take the school away and there is no provision for families to stay there: they cannot do it because they cannot get their children back and forth. Take the school away and often the hub for a lot of other services and facilities for the village is removed. The school is the meeting place and there are opportunities to use IT in a lot of community schools. More could be done to build on that.

Dan Rogerson (North Cornwall) (LD): Lady Winterton, I apologise for not being here at the start of the debate. I was elsewhere attending a meeting on water charges and was somewhat caught out.

I pay tribute to my hon. Friend for securing the debate and for all his work over many years, particularly on small schools. On his point about services in the community depending on village schools, from my experience of talking to small shopkeepers, parents going back and forth during the day pop into the shop and use it. The journeys to and from school have a knock-on effect on the wider economy: other services depend on that footfall in the centre of the village that the village school provides.

Matthew Taylor: That is exactly right and it is acknowledged in the county. This has been a long-term process. I am not seeking to make a series of party political points: Labour has sought to invest in improvements to education, but has not tackled the underlying funding system, which misses the problems for small rural schools, and which it inherited from the previous Conservative Government. This is not an issue in respect of which one can say, "The Conservatives were good and the Labour party has been bad for rural communities." The Labour party has invested more in funding schools—there is no question but that that is so—and we Liberal Democrats campaigned for that and supported it. However, the structural system for funding was not designed to support smaller rural communities, particularly impoverished ones, and still does not. In 1997, the gap between the funding of Cornish schools and the national average was about £100 per pupil less each year. That gap has now widened, because the formula has remained the same even though the amounts have increased, to a shortfall of some £300 per pupil for Cornwall.

Julia Goldsworthy (Falmouth and Camborne) (LD): Is my hon. Friend aware of the data on academic achievement that back that up? Research undertaken by my hon. Friend the Member for Yeovil (Mr. Laws) showed that disadvantaged secondary school pupils in rural areas are failing to keep up with the improvements of their counterparts in more urban areas simply because of lack of investment.

Matthew Taylor: Although I will return to some issues about Cornwall council, the whole context of my argument at this point is that the Government have been sympathetic to investment in education, as have we—the Liberal Democrats argued for that. The Government have sought to address the problem of disadvantaged pupils, but primarily in the context of urban disadvantage, and they have simply not delivered to small rural disadvantaged communities. For example, the dedicated school grant contains no protection for maintaining small schools and class sizes in the circumstances that I have described, with the result that for Cornwall council some £10 million is allocated in small school protection to deliver quality and to maintain village schools, but that is not supported directly by Government funding.

Huge financial pressure falls directly on Cornwall council. My hon. Friend the Member for North Cornwall (Dan Rogerson) described clearly the benefits of such schools, and I have described the costs. I also described the gap between the level of funding that we receive and the national average, let alone the level of funding received in urban areas of deprivation, which is vastly higher than the national average. The shortfall is not just against the national average; it is even more against similarly deprived communities in different circumstances.

Compared with the national average, the shortfall in school funding is about £24 million every year. That is the difference between what we would receive and what we do receive as a result of the funding formula. That formula is essentially unchanged since it was designed by the last Conservative Government. That is the context in which Cornwall council is starting to move towards what I fear will be closure of some schools and a severe hit on the budgets of some smaller schools. Already, funding changes are being made, which will take money from some smaller schools and make them even more vulnerable to closure.

I suggest that there is a better solution. One element is cash, for which I look to the Government, and the other is a more imaginative approach. I address that comment particularly to Cornwall council, but the Government could show leadership. I plead with the next Government, whether a Labour Government or following a change of Government, to review the central factor of the formula. My party has just announced changes to introduce a pupil premium, which would be worth just over £20 million a year to Cornwall and would address directly the funding gap, but it would be targeted at disadvantage and provide an extra premium for all pupils from impoverished backgrounds such that they are eligible for free school meals. That would effectively provide an extra £2,500 for each pupil.

I know the difference that that would make in schools throughout Cornwall, particularly those with a disadvantaged intake. I spent a day working in Whitemoor school a year or so ago, and I saw direct the issues that it had to tackle and the amount of time and effort needed from classroom assistants and teachers simply to get pupils to the point of learning. That pupil premium would make a real difference, but whether that or another approach is right, rural poverty and deprivation is a fundamental issue that must be addressed in the funding formula. It is time for a review.

No funding system can fully address the extra cost of running smaller schools, so we must be innovative. When the Liberal Democrats were running Cornwall council, it pioneered approaches such as clustering schools to share administrative costs, providing packages to support head teachers to do their jobs effectively by operating across more than one school, and having

specialist teachers across more than one school to provide expanded opportunities for pupils to interact with teachers with different specialist skills.

Just because small schools are costly, we should not assume that there are no solutions. There are, and they are being implemented throughout the country. The easy option should not be taken when innovative solutions are available. I know that the Government have provided support for that, and I hope that the Minister will say clearly and loudly today that Cornwall council should continue to pursue innovation.

Surplus places are a real issue in rural communities because they are scattered, and it is not possible to amalgamate three schools into two without an impact on the communities that they serve in a way that does not apply in urban communities. Again, the easy option of closing a small village school should not be taken. Such schools are the most costly and are relatively remote, so the easy option of redistributing pupils to larger schools in bigger communities may seem to solve the problem, but it strips out from a village an essential part of its community. It is more difficult to tackle surplus places in urban areas and in oversized schools, and it is tempting to take the quick and easy option of closing a smaller school, but I plead with Cornwall council and the Government to find a more imaginative solution.

The first question should not be, "What do we do about a school that does not have sufficient pupils?" We should ask why it does not have sufficient pupils, and there are usually two core reasons. First, it may have acquired a less than good reputation, so the solution is not to shut it down, but to do something about what has gone wrong with its quality. When a small school that is reliant on one, two or three teachers goes wrong, it goes wrong comprehensively, but in a larger school part of it may continue to function well because of the large range of staff. Equally, putting things right can be done comprehensively more easily than in a larger school. Pupil numbers may have fallen because parents are not choosing it, which is usually because they know something that may not yet have shown up in official statistics, and that should be put right.

Secondly, families in rural communities can no longer afford to live in villages, so there are not enough children for the school, which may have nothing wrong with it. It may be of high quality and well supported by the community, but if there are not enough children, the initial response should be not to think about closing it down, but to think about what can be done to help families to live in a working community. More often than not, what is needed is affordable housing because people who work on farms, in plumbing and building, or in shops and pubs, are forced out of the community by the unaffordability of homes. The best solution for keeping village schools open is to deliver affordable homes in small communities—often just six, eight or 10 are needed—to allow local families to continue to live and work there.

That approach is different. It stops asking the question, "What shall we close down to sort out the problem of surplus places?" and asks, "How can we maintain vibrant communities with successful schools in our more impoverished, small rural communities where it is expensive to live and where there may be surplus school places?" I hope that the Government will take that approach, and I hope that the Minister will take the opportunity today to recommend it to Cornwall council.

1.48 pm

The Minister for Schools and Learners (Mr. Vernon Coaker): If I do not answer any of the questions asked by the hon. Member for Truro and St. Austell (Matthew Taylor), perhaps he will intervene, and perhaps his two hon. Friends will do the same. I congratulate him on securing this debate, and note the attendance of his hon. Friends the Members for North Cornwall (Dan Rogerson) and for Falmouth and Camborne (Julia Goldsworthy). From the correspondence and press cuttings that I have seen, I know that the hon. Gentleman and his hon. Friends have campaigned tirelessly and worked hard to try to secure the best education outcome for young people and families in their area.

Obviously, we take the issues raised by the hon. Gentleman seriously in Cornwall as in all other areas. The Government have invested heavily over the past 13 years, and before addressing the specific points, I would like to point out that we have seen a real-terms rise in per pupil funding in Cornwall of 38 per cent. since 1997. Following that, in 2005 we introduced the dedicated schools grant, which will increase 2008-09 levels by 12.8 per cent. to £4,043 per pupil in Cornwall by 2010-11. Added to that, Cornwall has benefited from around £100 million of capital investment over the current spending review period, including £18.5 million to support the delivery of the primary capital programme. The hon. Gentleman will also know of the exemplar project to rebuild Camelford school.

The main thrust of the hon. Gentleman's speech was about the dedicated schools grant, notwithstanding the point about the pupil premium. He will know that the DSG is being reviewed, as we want to develop a new formula for the distribution of money from central Government to different areas from 2011. As he will know, a three-year period was specified and set out for 2008-09 to 2010-11, and we are looking to see how we can redistribute moneys from 2011 onwards in a way that is perhaps fairer than it is under the current system.

We carried out a consultation, and certain principles arose from that on which we will consult again. For example, we must consider whether we give a single amount per pupil across the country, or whether we have activity-led funding and look to see how much each pupil costs in an area. One can then look at issues such as sparsity, deprivation, high-cost pupils and additional educational needs.

One problem that the hon. Gentleman will have—as will hon. Members from all parties—is that while some of his colleagues argue for a fairer distribution of the money, that is actually something that would disadvantage him even further. That is true of all political parties. To find a fairer funding mechanism, where people do not simply go and see whether they get more or less from it, is difficult.

I know Cornwall, and I know that the hon. Gentleman and his colleagues will have tried to influence the outcome of the review. However, I suggest that he continues writing to relevant Departments and putting pressure on them and on the local authority, to try to secure the fairest and best possible outcome for Cornwall. The review is ongoing, and there will be a further consultation on it in the next couple of weeks, to which he may wish to contribute.

Matthew Taylor: I am sure that the Minister has the same experience as me—there is no Member of Parliament who does not believe that their constituency is unfairly disadvantaged in comparison to others. There was a similar issue regarding health, and there we have seen a change which, over time, significantly increases the funding. I reiterate for the Minister that when the Government were elected, the funding formula disadvantaged rural, impoverished communities such as ours, meaning that we got 95 per cent. of the national average per pupil. As the Minister said, funding has gone up, but we now have only 92 per cent. of the national average. There is a clear bias in the system, but with health—and more generally—the Government have recognised that ours is an impoverished community and, I am afraid, the nearest equivalent to inner-urban poverty in a rural setting.

Mr. Coaker: I accept the point that poverty does not exist only in urban areas and that there is rural poverty. I also accept that there is a need for a review of the way in which money is distributed to local authorities and to schools. My point is that it is an ongoing process; no conclusion has been reached, and the points that the hon. Gentleman has made, and no doubt part of the point of the debate, are an attempt to influence the outcome of that review. The outcome is not decided yet, and he needs to continue to make his case.

Let me address specifically some of the points raised by the hon. Gentleman about primary school closures in his constituency and in Cornwall more generally. Obviously, the closure of a school can be controversial, and we have tried to ensure that the proposer of such action is required under legislation to undertake a public consultation. From May 2007, new arrangements for local decision making took effect, and they must be followed whenever a change in school provision is suggested.

However, the provision of schools and schools places in an area is ultimately a decision for local authorities, not the Government. Councils have primary responsibility for school-place planning, and a duty to secure the best standards for all pupils. I take the hon. Gentleman's point about the good standards in many of Cornwall's schools, notwithstanding the pressures on finances and resources that some of them feel they are under. The council has responsibility for determining the most appropriate organisation in an area.

In terms of protecting rural schools, there is money within the dedicated schools grant for sparsity, which enables us to target extra spending. Cornwall received £5.44 million in its schools settlement for sparsity. We fully expect—this is perhaps one concrete thing that I can say to the hon. Gentleman—the sparsity factor to be included in the new formula, whatever that is. Perhaps the hon. Gentleman might make a suggestion about how that sparsity factor is worked out, and whether it could be done so more advantageously. Importantly, the sparsity factor will remain.

The Government introduced a presumption against school closure 10 years ago. Statutory guidance now requires decision makers to have regard to that presumption, and to take account of other factors when considering the future of rural schools. The hon. Gentleman and the hon. Member for North Cornwall made the point about schools having an impact on the community and on local businesses, rather than being solely an education matter.

Of course, the presumption against school closures does not prohibit closures, and the proper statutory process has to be followed. As the hon. Member for Truro and St. Austell pointed out, there are surplus places in Cornwall, and that is an issue for the council to address. My information from the Department suggests that there are 4,450 surplus primary school places in Cornwall, which is 11 per cent. of the total capacity, so there is a significant difficulty, irrespective of the funding regime. However, I take the point that sometimes such decisions should not be made only on the basis of place numbers but should take other factors into account.

Julia Goldsworthy: On spare places, is it not also a concern that many of the village schools are old buildings? On my understanding, places are calculated on the basis of the square footage of the entire school, not just the classrooms. Inappropriate buildings compound the problem by allocating places where there is not even space for teaching. Does that not need to be taken into account?

Mr. Coaker: Of course all those things need to be taken into account. That is why it is better for the local authority to determine school organisation in an area—in consultation with local Members of Parliament, local councillors and the public—as it knows best how to do so, and will know the particular buildings of every school. That is a matter for people to consider as decisions are made on the best way forward.

Matthew Taylor: My hon. Friend's point was that the 11 per cent. figure is deeply misleading. There are schools that could not accommodate the theoretical number of pupils because the structure of the building is not appropriate. It is merely based on the square footage, but if we were building a modern school, it would look very different. The figure of surplus spaces is exaggerated, and in a school of 30 or 40 pupils we are talking about three or four seats. That might be the kind of flexibility that is needed for a revolving community.

Mr. Coaker: I accept that point. The argument is not about bringing that number to zero. It is used as a figure across the country as a guide to the particular problems regarding surpluses. As I have said, it will then be a matter for the local authority to consider as it takes forward the school organisation plans.

The hon. Gentleman asked me about the necessity for Cornwall county council to be imaginative and consider things such as federations, sharing of governance and all the other arrangements around the clustering of schools that can lead to school improvement, and to significant savings and efficiencies. I join the hon. Gentleman in asking Cornwall county council—and local authorities up and down the country—to consider those imaginative sorts of governance arrangements, which are primarily about school improvement but can also provide some of the efficiencies needed to maintain schools that otherwise might face closures. I would support that.

I thank the hon. Gentleman again for this debate. He made a very important point. There is a more general issue about the reform of the dedicated schools grant, and I urge him to try and influence that.

2 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Wednesday 3 February 2010

[Mr. David Wilshire *in the Chair*]

Returning Officers (Accountability)

9.30 am

Mr. David Wilshire (in the Chair): There is a slight problem in that there is about half a minute's difference between the time shown on the clocks and the time shown on the annunciators, so let me make it clear that I am working from the time on the annunciators.

Before I call Mr. Cairns, let me also explain that I hope to call the Front-Bench spokesmen at 10.30 am so that they will be able to speak for 10 minutes each. I hope that Members can help me with that. I should add that when I arrived, the sheet of paper indicating which Members want to speak was blank. I work on the assumption that those who turn up to these debates usually do so because they want to speak. If we count heads, we will see that a bit of self-discipline will probably enable me to call everyone who wants to speak. I call Mr. Cairns.

The Lord Commissioner of Her Majesty's Treasury (Mr. Frank Roy) *rose—*

David Cairns (Inverclyde) (Lab): You need to call the Whip, Mr. Wilshire.

Mr. David Wilshire (in the Chair): I am sorry. You can see the state I am in this morning. I consider myself told off.

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr. Frank Roy.)*

9.31 am

David Cairns (Inverclyde) (Lab): Good morning, Mr. Wilshire. I thought that you were attempting to keep my hon. Friend the Member for Motherwell and Wishaw (Mr. Roy) here for the whole 90 minutes, which would be very welcome. *[Interruption.]* He is going already; he only made it to 90 seconds. *[Interruption.]* I should put it on the record that he agrees with me.

I welcome you to the Chair, Mr. Wilshire. It is a pleasure to serve under your direction. I also welcome colleagues to the debate, which is about the accountability of returning officers. I trust that that heading is sufficiently wide to allow for a general discussion of all the electoral matters that fall within the purview of returning officers; if not, this will be a short speech, and the subsequent debate will be even shorter.

I want to talk about the performance of returning officers and about how effectively they are regulated and inspected. I also want to touch specifically on the move to shift the timing of general election counts from Thursday nights to Friday mornings. Many hon. Members have a keen interest in that matter, and I see in his place my hon. Friend the Member for Glasgow, South (Mr. Harris), who is leading the campaign to save general election night. Among others, I can also see my hon. Friend the Member for Vale of Clwyd (Chris Ruane), whose specialist subject on "Mastermind" would be changes to the electoral roll, so I will not dwell on that, although I am sure that he will elucidate it in greater detail if he catches your eye, Mr. Wilshire.

I want to say something important right at the outset. Irrespective of whatever criticisms I may make, I strongly believe that the electoral system in this country, where politicians do not run elections, is the right one. Countries where politicians have a direct and controlling influence over the administration of elections inevitably end up with intimidation, corruption and the decaying of democracy. Our system, in which politicians set the broad legislative framework for elections but do not actually administer them, is surely the right one.

Inevitably, that arrangement contains a degree of tension. To what extent should Parliament be prescriptive in the rules that it sets out? To what degree should we leave matters to professional election administrators? The answers at either extreme are obvious. Parliament should legislate for the voting system; returning officers should decide how the count is managed. Parliament should determine who has the franchise; election officers should maintain and update the register. Parliament should set out the criteria for disabled access to polling places; local officials should decide on their location.

Chris Ruane (Vale of Clwyd) (Lab): I congratulate my hon. Friend on securing the debate. He is right that there is no political interference by central Government in the work of local authority electoral registration officers. Is he aware, however, that there is some political interference at a local level? One example is Islington council in London. The Labour group there asked the council's Liberal Democrat leader to put money together for an electoral registration drive before the local elections, but he refused point blank, saying, "This is how we win elections." There is therefore scope for political interference at local level because budgets can be influenced.

David Cairns: I was not aware of that, although perhaps I should have been as an Islington council tax payer. I am afraid that nothing would surprise me about the Lib Dems on Islington council. They won the last election by only one seat and they now run the council on the basis of the mayor's casting vote, so they are not particularly good at winning elections. I am sure that my hon. Friend's comments will be reported to people in Islington.

As I said, it is fairly obvious at the extremes of the argument what should be left to Parliament and what should be left to returning officers. However, in the light of the current controversy about election night, there is some debate about whether the timing of election counts falls within the jurisdiction of Parliament or returning officers. Is the timing of counts a practical and logistical issue and therefore squarely in the remit of returning officers, or is the issue one of democratic principle—the right of voters to find out as soon as possible who will govern them? I will come back to that in a moment.

Mr. Brian H. Donohoe (Central Ayrshire) (Lab): I congratulate my hon. Friend on securing this important debate. He conceded that the count is managed by the returning officer, but he went on to suggest that there are ways in which we should influence it, and one is

[Mr. Brian H. Donohoe]

surely to ensure that the count takes place immediately following the close of the polls. That has been built into our electoral arrangements for ever and it should be maintained.

David Cairns: I agree with my hon. Friend's conclusion, and what he describes has been custom and practice for generations. The problem is that the legislation does not stipulate that, and we have left things more open, so returning officers have the freedom to make a choice. Indeed, we have quite properly given them the freedom to make a choice on a whole range of issues. The question is whether the timing of the count falls within the purview of democratic principle or whether it is a practical, logistical issue.

Bob Spink (Castle Point) (Ind): The hon. Gentleman is right to bring the issue before the House, and his debate is timely. I agree that the count should be immediate, but will the Minister advise us whether returning officers do in fact have the last word? We have recently introduced legislation to put in place regional super-returning officers, who will have a degree of control over local returning officers and to whom all local returning officers will report. Could the super-officer give the local returning officer instructions about the timing of the count?

David Cairns: I do not know the answer to that question, and I look forward to the Minister's elucidation.

Mr. Lindsay Hoyle (Chorley) (Lab): I have had concerns about Chorley. The chief executive issued a statement saying that if the local elections and the general election were on the same day, the votes would be counted the following day. That is going to happen in Chorley, but as far as I can remember, we have always had the count on election night. I wrote to the chief executive, saying that I would like to sit down with her to discuss what she had said, but she replied that she did not want to discuss it. She said, "I'm the returning officer. This is my decision." That is what we are facing, and it is unacceptable. It is about time that these faceless, unelected people sat down with the elected Member of Parliament to have proper discussions that are open to all parties. That is the way forward. Does my hon. Friend agree?

David Cairns: I do. The high-handed and arrogant approach taken by the returning officer in Chorley is simply unacceptable, and I contrast it with the approach taken by my own chief executive, who is holding a local consultation in Inverclyde. He sent a copy of the consultation document to me and all the other candidates and agents, and he is taking our views into consideration. That is how to approach the issue, although I will save my final judgment until I find out what he actually decides. None the less, that approach is greatly preferable to the faintly dictatorial approach taken by the electoral officer in Chorley.

Geraldine Smith (Morecambe and Lunesdale) (Lab): Does my hon. Friend agree with Mr. Speaker that we should have instant, and not slow-motion, democracy? In my constituency we managed to count the votes at the last election straight away, even though county council elections were taking place at the same time. I do not know why that cannot be done again. What has changed? The old Morecambe and Lonsdale constituency used to go right up to the Lake district and it included Coniston. They managed to count the votes straight away in the previous century; why cannot we do it in the 21st century? It seems appalling.

Mr. David Wilshire (in the Chair): Order. Before the hon. Member for Inverclyde answers—this is nothing to do with what has just been said—I must point out that in the back row, from Geraldine Smith to Lindsay Hoyle, the microphones are not working. Until things are mended, it would be helpful, if they do not mind, if they sat in the front row.

David Cairns: It would be a parliamentary tragedy if my hon. Friends' contributions were lost to posterity, and I hope that that can be remedied at once. I am sure that their lungs are capable of making their voices carry, but it is important that history should record their words of wisdom.

My hon. Friend the hon. Member for Morecambe and Lunesdale (Geraldine Smith) is right. Later, I want to discuss in detail why I believe counts can and should still happen on close of poll. There are many reasons, and I shall pick only some, because I suspect that other hon. Members will raise different ones.

Another point is that, in days gone by, turnout was higher. It is sad that turnout is lower, but it was significantly higher a few years ago, and there were more votes to count. There were fewer postal votes coming in, so there were more votes to process and verify on the night. If anything, the argument should be that it is easier, not more difficult, to do an overnight count.

To stay for a moment on the general functions of returning officers, almost every service in local government has at some point been described as the Cinderella service; but none with more truth and justification than electoral services. As a former councillor I can testify, as I expect every former councillor present for the debate can, that electoral services have been a neglected component of local government activity for many years. They are underfunded, understaffed and under-appreciated. They are one of the very few local government functions that is neither inspected nor properly evaluated.

It is fashionable in some circles these days to decry the targets culture as a bad thing, but I adhere to the somewhat old-fashioned view that what gets measured gets done. That is why when I was in the Government I was keen that we should work to establish proper performance standards for returning officers, by which they could be held to account. I was one of the Ministers who steered the Electoral Administration Act 2006 on to the statute book, alongside my right hon. and learned Friend who is now the Leader of the House.

Mr. Donohoe: One of the most obscure issues is this: why can Sunderland, for example, announce the result at about 10 minutes past 11, whereas in some parts of the country the announcement is made at about 3 o'clock in the morning? Is it not down to resources? One of the failings in the present system is that the returning officer uses, almost exclusively, local government employees. Surely those responsible should think about that, in relation to the question of when it is possible to deliver a result.

David Cairns: My hon. Friend is right. It is down to resources, and the importance and priority that councils attach to the function. My argument is that that state of affairs is inadequate in this day and age. Councils do not have the leeway to decide whether to prioritise education or social services. They must do so, because that is set out in statute, and they are inspected on those services, whereas in electoral services they are not inspected or, as I shall outline, adequately regulated. It is therefore up to each council whether to attach a priority to them as Sunderland and other councils do. The majority of councils simply do not attach priority to those services.

Chris Ruane: My hon. Friend was indeed the Minister who helped to introduce the performance standards that are in place—others have not been put in place. However, in relation to those that have been put in place governing the completeness and accuracy of the register, according to a parliamentary answer that I have just received, there are still 66 electoral registration officers who say, on their own assessment, that they are not up to scratch and not performing properly.

David Cairns: We always say these things in debates because we are being nice to each other, but my hon. Friend has been genuinely assiduous—*[Interruption.]*—in burrowing, not boring, away through the detail of the statistics. He makes an important point: currently, the regulatory regime is self-certified by returning officers, with a caveat, which I shall come to in a moment. As he has highlighted, even by their own reckoning many registration officers are not doing as well as they should be.

The Electoral Administration Act 2006 empowers the Electoral Commission to set and monitor performance standards for electoral services. Despite the provision coming into force in September 2006, it took the Electoral Commission until March 2009 to publish the performance standards. Given that they are fairly broad-brush and high-level—they are not particularly earth-shattering—I have no idea why it took a leisurely two and half years to produce them. Nevertheless, we now have them, and they have been used for the first time to assess the performance of returning officers in an actual, real world election—the European poll in 2009.

The seven performance standards are largely common sense. They require returning officers to be able to plan and organise the elections, have robust processes in place, provide appropriate training for staff, identify potential malpractice, communicate effectively with voters, provide clear information for voters, and, lastly, communicate with candidates and agents.

Bob Spink: Does the hon. Gentleman share my concern that those performance standards do not include the returning officers' abiding by the law of the land—the electoral law set in this place for them to apply? They do not have to apply it, because their word is final. If a returning officer wants to ignore the law of the land—that a photocopy should not be used, that a signature should be taken contemporaneously, or that someone saying that they have witnessed a document being signed should actually have done so, rather than signing it fraudulently—it is possible for them to say, "That's fine. The law has been broken, but I find that to be perfectly okay. I accept it, and therefore it is acceptable and the law has not been broken." The returning officer who is in breach of the law is completely without regulation.

Mr. David Wilshire (in the Chair): Order. That intervention should be a question, not the speech that the hon. Gentleman hopes to make shortly.

David Cairns: I agree with the hon. Gentleman up to a point.

Bob Spink: It happens.

David Cairns: I am sure that it happens, but it is of course possible to appeal against decisions made by returning officers in the electoral courts. Of course, it must be demonstrated that the decision had a significant impact on the out-turn of the election, which is a fairly high threshold, so to that extent I agree that it might be easier. If electoral returning officers deliberately and wilfully ignore the law that is set out, that is a serious matter, and I look forward to the hon. Gentleman's elaborating on that, if he catches your eye, Mr. Wilshire.

Bob Spink: I have elaborated on the matter many times in the House.

David Cairns: Sadly, I was not present on those occasions, but I shall be this time.

As I have said, the performance standards are fine and no one could take exception to them. They are all pretty high-level and broad-brush. What causes me concern is how they are enforced. Following the Euro-elections, the Electoral Commission wrote to every returning officer asking them to rate themselves against the standards. It may come as an enormous surprise to the Chamber to learn that almost everyone rated themselves rather good at almost everything. I was just reflecting that if head teachers were told that Ofsted, or Her Majesty's inspectorate in Scotland, was changing the inspection regime and would be sending everyone a questionnaire about how well the school was doing, there would be huge cheers in staff rooms throughout the country.

In fairness, the Electoral Commission followed up the self-assessment with a series of face to face interviews with a percentage of returning officers. However, on its own reckoning, those interviews were aimed more at consistency in filling out the forms than at getting to grips with poor performance.

This is good: in some 17 cases, the commission asked returning officers to regrade their assessment of their performance. Perhaps unusually, 15 of the 17 were asked to move their initial assessments up a level, and regrade themselves as having performed better than the electoral officers had said. Of the hundreds of returning officers in the country, only two were asked to downgrade their self-assessments by one level as part of that regulatory regime.

I find it hard to take that seriously. Setting objective standards is clearly a step forward, and asking people to reflect on their performance against standards is a good thing. I do not contend that there is massive incompetence in the running of our elections, but anyone who has been a candidate, an agent, a party volunteer or a journalist covering an election count will know that there is a lot of room for improvement.

Several hon. Members *rose*—

David Cairns: May I finish the point first? There is a lot of room for improvement, and we all know it, but unless the inspection regime is significantly more rigorous than the one being followed by the Electoral Commission, areas with poor practice will carry on and local authorities will not devote the time, money and personnel needed to improve performance.

I shall give way first to my hon. Friend the Member for Chorley (Mr. Hoyle) and then to my hon. Friend the Member for Vale of Clwyd.

Mr. Hoyle: My hon. Friend is generous in giving way. It concerns me that returning officers are self-assessed. I would be intrigued to know what the returning officer did at Chorley. In a marginal seat that we lost, we found that 25 votes had disappeared, but we did not know about it until 10 days later. I still cannot understand where they went; they must be somewhere, but nobody can give us an answer. I wonder how returning officers would mark themselves following an incident like that. My hon. Friend raises concerns that we are all very worried about.

David Cairns: I can help my hon. Friend on that latter point. If he goes to the Electoral Commission website, he will see a table showing how returning officers rate themselves. I have not studied the Chorley self-assessment, but the general trend is that almost everyone did very well at almost everything.

Chris Ruane: I thank my hon. Friend for giving way yet again. On the question of assessment, for me the key performance indicator is the number of people on the register. It is quite easy to set performance indicators. According to the written answer to parliamentary question 311930, which gave registration rates in descending order, Kensington and Chelsea has a registration rate of 55 per cent. To be a good indicator, it should be 95 per cent. or even 100 per cent. If registration rates improved, that would be an acid test—proof positive—that the electoral returning officer was performing.

David Cairns: My hon. Friend proves something that I mentioned earlier—that what gets measured gets done. If there is no specific target to aim for, how on earth can one measure whether performance is adequate? You might as well ask whether literature is easily understood; it is a subjective matter, and it is difficult to put a target on it. Getting people on the register is a matter of simple arithmetic.

I am shocked to hear of a registration rate of 55 per cent.; that is an appalling figure. The chief executive of Kensington and Chelsea should hang his head in shame. There is no excuse for that. I know that area a little; it has many houses in multiple occupation and many large families, and people move around. None the less, no matter what the council's political persuasion, it is a matter of shame to have only 55 per cent. registration.

Bob Spink: Another difficulty is the relationship of CEOs—they generally act as returning officers—with the controlling political party. They rely on that party to fix their salaries and their pensions; they have a comfortable relationship. My feeling is that they may become politically biased in their work. We should address that point. Super-returning officers could control them, and I congratulate the Government on going in that direction.

David Cairns: The hon. Gentleman pre-empts my very next sentence. As well as an inspection regime that is properly monitored and enforced, instead of one under which people get to say how well they did and are then told, "No, you did better than you thought. Mark yourself higher", we need a proper inspection regime.

Other steps need to be taken right away. It took two and a half years to get the current inspection regime. I am not confident that we will move any more quickly away from it, but three things could happen soon. First, returning officers should be permanent, properly resourced, senior council officers. The job should not be done by well-paid chief executives moonlighting for a few extra quid.

Mr. Donohoe: How much extra?

David Cairns: My hon. Friend asks from a sedentary position how much extra. I know that my hon. Friend the Member for Glasgow, South has been mining away at that question; he may be able to tell us if he catches your eye, Mr. Wilshire, so I shall not be drawn on that question.

Secondly, local returning officers should have responsibility for the educational and promotional functions currently undertaken by the Electoral Commission; that would be carried out much more effectively locally. It could be allied to the council's work in schools, and the community and other literature issued by councils. It would be better than having posters at bus stops, which is an expensive waste of money, although that is what happens with a national campaign. That function and the budget that goes with it should be transferred to local returning officers.

Thirdly, picking up the point raised by my hon. Friend the Member for Vale of Clwyd, returning officers should have proper targets for getting people on the register. In Scotland, returning officers should be given responsibility for voter registration, which currently resides with joint valuation boards. Taken together with an inspection regime that has some teeth, I believe that these changes would help bolster the standing of returning officers and council electoral services. In turn, that would drive up performance.

I shall skip along a little more briefly, as I have taken rather longer than I anticipated. I turn to a specific area that I know is a cause for concern for colleagues and others—namely, the timing of the election count. The heart of the current dispute, as I said earlier, is the tension about which decisions should be set out in rules and guidance from Parliament and which should be left to the discretion of returning officers.

Legislation states that the count should begin "as soon as practicable" after the poll. However, as my hon. Friend the Member for Morecambe and Lunesdale said, for decades most of the country have taken that to mean that the count should begin as soon as the polls close at 10 pm. It is no secret that, for many years, returning officers have wanted to move away from overnight counts. Indeed, they made that view abundantly plain to me when I was a Minister in the Scotland Office in the run-up to the Scottish parliamentary elections of 2007.

Essentially, the returning officers' argument is that many of those in charge at the count will have been on duty since early morning and will not be at their most

alert in the wee small hours of the next day, when they might have to make vital decisions. That is a serious point, and it should not be dismissed lightly. However, it is equally well known that as a rule MPs are rather keener on overnight counts, for personal and political reasons.

On a personal level, we want to be put out of the misery of not knowing our fate as quickly as possible. That is only human. The political aspect is equally important. We have a speedy transition of power in this country, which begins as soon as the result is known; not for us the leisurely two-month gap between the election and the inauguration of the American President. It may be only a matter of hours, but it has been our custom and practice for generations, and we should not abandon it without good reason.

Another factor is the undoubted drama and suspense of the overnight results coming in. I was present at the Royal Festival Hall as dawn broke on 2 May 1997, and I can testify to the extraordinary atmosphere of that occasion, which I believe was conveyed to the millions watching at home.

Mr. Tom Harris (Glasgow, South) (Lab): Was it a new dawn that had broken?

David Cairns: I was going to say that it was never to be repeated, but that is not quite our line. I am sure that we will have a wonderful new dawn on 7 May. I have not blotted out the date of the election. Strangely enough, the Prime Minister has not confided in me.

Similarly, the question that everyone asked for weeks in the aftermath of that election—"Were you still up for Portillo?"—would not have quite the same ring as, "Did your tea-break coincide with the announcement of the result from Enfield Southgate?" My view on this point is that the rules for returning officers should be more prescriptive. Unless there are compelling reasons to the contrary, the counting of ballot papers should begin on polling day itself, not the following day.

Mr. Donohoe: The issue that I discussed with my returning officer was the authorisation and validation of the postal ballot. Will my hon. Friend address that point?

David Cairns: I will address it as soon as I have taken an intervention from my hon. Friend the Member for Morecambe and Lunesdale.

Geraldine Smith: My biggest concern is about the security of the ballot boxes when they are left overnight. We need assurances that they will be properly policed, because that is a real concern.

David Cairns: That is a real concern. It is not one that I was going to cite, but I have seen it expressed elsewhere, and it should be addressed by those places that have opted for the Friday count.

I return to the point made by my hon. Friend the Member for Central Ayrshire (Mr. Donohoe). Returning officers and the Electoral Commission—in its briefing for this debate—cite the new checking requirements for postal ballots as a possible reason to defer the count to the next day. The Interim Electoral Management Board for Scotland makes the entirely unsubstantiated claim that checking the signatures and dates of birth on the postal votes received on the day could add two to three hours to the count, and it offered not a shred of justification about why that should be.

Mr. Eric Pickles (Brentwood and Ongar) (Con): The hon. Gentleman is right; it is nonsense.

David Cairns: It is nonsense, quite right. In the words of one of my former constituents, "I don't believe it." [HON. MEMBERS: "Who?"] A good Labour supporter. The Interim Electoral Management Board for Scotland justifies a possible move to Friday counts by referring to the problems experienced at the Scottish Parliament elections in May 2007, and it quotes Professor Gould, who was appointed by the Electoral Commission to investigate the election, to support its view.

I know quite a bit about what happened in 2007—rather more than I care to know. There were two problems at that election: the unacceptably high number of spoiled ballot papers, and the breakdown of the counting machines. Both problems would have occurred in full had the count taken place the next day. Neither of them were in any way related to overnight counts, and they should not be used as a spurious pretext to abandon overnight counts.

I accept that checking the identifiers on postal ballots is an additional burden, but it should not add three hours to the count. The vast majority of such ballots arrive prior to polling day and can be processed well in advance. Some will come through the post on polling day itself and others will be handed in at polling stations, but there is no reason why, with proper planning, the vast majority of those could not be checked prior to 10 pm, or why they should add significantly to the length of the count.

There are other arguments against moving the count, but I will not make them, because I want to finish now. Contrary to what is occasionally trotted out in some sections of the media, I do not believe that we have a serious problem of deliberate fraud or wholesale incompetence in our elections in this country. When fraud occurs, the weight of the law should be brought to bear. Most of our returning officers take seriously their responsibilities as administrators of our democratic processes, but to deny that there is room for improvement would be complacent. I hope that today's debate will contribute to the process of improvement in this exceptionally important profession.

Mr. David Wilshire (in the Chair): Before I call Mr. Pickles, may I say two things? First, we have just under half an hour before I call the first Front Bencher at 10.30, and it looks as though there are at least three people plus Mr. Pickles wanting to speak. Secondly, those Members who like playing musical chairs can now sit anywhere, because I am told that all the microphones now work.

10.3 am

Mr. Eric Pickles (Brentwood and Ongar) (Con): It is a great comfort to know that our words will go out. I congratulate the hon. Member for Inverclyde (David Cairns) on successfully securing this very important debate. In particular, I should like to say that I enjoy the prospect of a new dawn and people dancing in the

[Mr. Eric Pickles]

streets in May. I do not think that the election is in the bag, but I accept the hon. Gentleman's confidence on our behalf.

I will be brief, but I think the discussion we are having is about something more: the general degrading of politics, of this place and of government in general. It is about officials saying, "We run this, and it is nothing to do with you politicians." Let me misquote Alexander Pope, "For forms of government let fools protest; Whate'er it administer'd is best". That seems to be the general view of returning officers, although I accept that not many of them are naturally poetic. Nevertheless, they are saying that the matter is not important.

A letter from the Electoral Commission stated that the count is accurate, that voters have confidence in the election result, and that it is entirely appropriate to have a count on a Friday if it is deemed necessary to ensure an accurate result. What is frequently cited is the increased number of postal votes, particularly those delivered to polling stations on polling day. As postal votes come in during the election campaign, they are checked, verified and put to one side for counting on the night. Machines are available to check the signatures—I have seen them in operation—and those that they cannot verify can be put to one side.

Mr. Donohoe: Does the hon. Gentleman not think that with a bit of imagination and marketing, all the postal votes could be in long before the count itself?

Mr. Pickles: Sometimes people are away from their homes, and sometimes people feel that it is a bit like filling in tax forms and they can put it aside and do it another day. We must accept that numbers will come in on the day. For better accuracy, I have obtained two comparisons—one from a Conservative seat and one from a Labour seat.

In Haltemprice and Howden, 180 ballot papers were handed in on the day. I cannot believe that officers required an extra two or three hours to count 180 ballot papers; that is clearly spurious. Of course, that might be unusual, so I looked at what happened in a by-election in a Labour seat—Norwich, North—although, admittedly, it is now a Conservative seat. Again, 180 ballot papers were handed in. It is just serendipitous that the figures are exactly the same. Even if those figures were widely inaccurate, and even if we doubled the numbers, I do not believe that they would require a three-hour count. Moving the count has nothing to do with the accuracy of postal votes or the numbers.

If we were to talk to people below the level of returning officer, they would say, "Oh, well, it is rather difficult. People have been working a long time, and they want to get back and watch television. There might be a rerun of 'Star Trek' and our folks would like to see that after having a very difficult day." Well, other people ought to be put in. On grounds of health and safety and the working time—whatever it is called—people cannot work such long hours anyway. Traditionally, we have employed bank clerks, who are very dextrous in getting out the results, and we have used machines. Machines break down, but, by and large, they do not get terribly tired.

Therefore, the change has more to do with administrative convenience and the fact that money, which has properly been given by Government to local authorities for the purposes of election counts, has been hived off in other directions. It is true that the electoral registration officer is a Cinderella service of local government, which is ironic given that it is the fulcrum on which local democracy works.

The Minister of State, Ministry of Justice (Mr. Michael Wills): I do not want to interrupt the hon. Gentleman's speech for too long because my time will come, but let me clarify the point about funding. Does he support ring-fencing funding for local authorities? I am talking about the money that is given by central Government.

Mr. Pickles: No, I expect local authorities to behave reasonably. We should not stand over them in a nanny state way and say, "This is the money and you must spend it." Electoral registration officers have been saying for a long time that they need the money. I expect local authorities to express that—regardless of whether they are Conservative, Labour or Liberal Democrat authorities.

Geraldine Smith *rose—*

Mr. Pickles: I will give way to the hon. Lady, but this is the last time because I want to make a short speech.

Geraldine Smith: As the hon. Gentleman has said, the problem that has been identified is that returning officers are not behaving reasonably and they are using money allotted to them for other purposes. He cannot have it both ways. That money should be ring-fenced if they are not using it appropriately.

Mr. Pickles: I suppose that is the difference between the political parties—we want to set local authorities free and Labour wants to control them. This is an example of how the system does not work, and it is patently obvious that our approach is better. But I digress.

Mr. David Wilshire (in the Chair): Yes, you do.

Mr. Pickles: I am trying to arrive at a political consensus.

However, this issue is not about some cheery tradition, or about how lovely it would be to dance in the streets in May, or to stay up all night to watch Mr. Dimbleby, or to watch Sky News give slightly more accurate reports than the BBC. It is about accountability and about the voice of the people being heard.

One of the great joys of our political system is that one is either in office or out of office—there is no intervening period. One moment someone is jumping into the back of their Prius with their red box by their side and the next moment they are topping up their Oyster card. That is a very good system.

Chris Ruane: That is what Ministers do. *[Laughter.]*

Mr. Pickles: I did not want to bring back any bad memories for the hon. Gentleman.

It is different in the United States. Under the presidential system, there is a long period between the presidential election and a new President taking office. Even in local government in Britain, there is an intervening period, but that is not our system at national level.

As I was saying earlier, I am not confident that the result of the general election is known. Clearly, there are three possible results. We are in a perilous economic state and the general election counts will be taking place when all the financial markets are open. I hope that Labour Members will forgive me for saying so, but if by some fluke it looked like we were going to have five more years of the current Prime Minister, I suspect that we might well see problems with regard to our credit rating and the value of gilts. That situation might occur with any political party at any given time, and if it was thought that there would be a hung Parliament, with all the uncertainty that that would ensure, again there might be an effect on the financial markets.

It matters not if these mistakes are made in the middle of the night—traditionally, the BBC has underestimated the number of seats that the Conservative party has taken; it has done that consistently in every local government election for the past five years. Usually at about 4 o'clock in the morning, the truth begins to dawn on the BBC that the Conservative party has taken rather a lot of seats. However, given the issue of market stability, we cannot rely on exit polls. By the time the financial markets open, there should be a clear idea about whether there has been a change of Government.

I want to make a final point about returning officers. Generally, a middle-ranking officer does the work on an election day but it is the chief executive who turns up to announce the result. They enjoy the full glory of that role. I must say that I think that time is starting to run out for the post of chief executive in local government. With elected mayors and the cabinet system in local government, people are starting to ask whether a chief executive is a worthwhile post. I will put that issue to one side for a moment, but any chief executive who cannot organise an election count and who cannot have enough people present to count the votes in a parliamentary constituency once every five years—on some occasions, there may be slightly less time between general elections—should question whether they are in the right job, because organising an election count is relatively easy.

If the good folk of Morecambe and Lonsdale in the 19th century could organise a count with all the problems they faced of fetching ballot papers down from Cumbria by horse and cart—indeed, I have a picture in my own home of Sir Winston Churchill going in a carriage to his own count in Epping—why cannot these modern, rather well paid, rather opinionated and rather self-aggrandising individuals do it?

I congratulate the hon. Member for Inverclyde on securing this debate. I look to the Minister not to ring-fence money for the count, but simply to say that the count shall take place on Thursday night.

10.15 am

Mr. Tom Harris (Glasgow, South) (Lab): I want to begin by congratulating my hon. Friend the Member for Inverclyde (David Cairns) on securing this debate. I also want to thank Members from both sides of the House for supporting the two early-day motions that I tabled, in the last Parliament and this Parliament, to save general election night. Both were supported by the hon. Member for Brentwood and Ongar (Mr. Pickles); he was one of the first six names on those early-day motions.

Of course this is an important issue to us all personally, but it should be important to the whole country and not just politicians. How have we reached the point where returning officers who are responsible for only about half the seats in this House have today decided to count votes immediately following the close of polls?

By now, we all know the list of excuses put forward by returning officers for delaying the count; my hon. Friend the Member for Inverclyde and the hon. Member for Brentwood and Ongar have referred to them. This issue is not just about the counting of postal votes; if it was, there would be no impact whatever on the time it takes to produce an election result. Returning officers are suggesting that the validation of the postal ballots in advance of the count is causing concern and could cause a delay of the count until the next day.

At the next general election, whenever it is, it is hardly likely that—even with an increase in postal ballots—the turnout will be anything like the high turnouts that we saw in the 1950s and 1960s, which were in the high 70s or 80 per cent. The total number of votes that returning officers and their staff will have to count will be significantly reduced from previous years; it is the validation that is the problem.

When the Interim Electoral Management Board of Scotland issued its consultation paper, it highlighted the problem that

> "a significant percentage of the total number of postal ballots cast in each election would be submitted, or would be expected to be submitted, on polling day itself."

It is very important that the interim board did not give a specific figure about the number or even the percentage of ballot papers that it expected to be submitted on polling day itself. The reason why it did not do that is that, as everyone who has taken part in an election campaign will know, the number of postal ballot papers submitted on polling day—even now, following a vast increase in the number of people who apply for postal ballot papers—is insignificant. Although postal ballot papers have to be validated and the signatures on them have to be checked, it is simply not the case that so many of them are submitted on polling day, before office hours end at 5pm, that they will in any way affect a timeous result.

Mr. Parmjit Dhanda (Gloucester) (Lab): My hon. Friend is quite right that the postal vote ballot paper is being used as a reason, perhaps as an excuse, for delays in counting. However, another reason is the separation of ballot papers if there is a local government election on the same day as a general election. My own experience of such counts, in both 2001 and 2005, was that it was more than possible to carry out that separation of ballot papers. In our case, if there is a local government election and a general election on the same night, the custom now is to count the local government election ballots the following morning.

Mr. Harris: My hon. Friend has made absolutely the right suggestion, as far as having elections for two different bodies on the same day is concerned. In Glasgow, it was natural practice that, whenever the Scottish Parliament elections were held on the same day as local elections—as happened until 2007—the local election results were announced the next day and the Scottish Parliament election results were announced overnight.

[Mr. Tom Harris]

Another excuse that has been given by returning officers for delaying the count is cost. Returning officers do not mind accepting the extra payment themselves, of course, but they do not want to pay their lower-paid staff the extra money that they would receive for performing overtime duties. Therefore, those lower-paid staff are expected to do the counting in office time on a Friday. That is all very well, except for the fact that those staff who are counting ballot papers on a Friday would normally be doing something else; they would normally be doing their other duties, for which they are paid. When will those duties be carried out if they must now count ballot papers on the Friday? There is no significant cost saving to that; it is a red herring.

My favourite excuse so far is health and safety. I am not aware of many people who count ballot papers fainting or dropping down dead. I am not saying that there are no pools of blood on the floor of the Scottish exhibition and conference centre when the Glasgow seats are counted, but that is largely the result of frank and firm exchanges between candidates rather than a plethora of paper cuts to the people doing the counting. That is another tremendous red herring.

The Gould report, commissioned after the unfortunate delays and problems with the 2007 election results in the Scottish Parliament, has been used as another excuse for not holding election counts immediately after the polls close. My hon. Friend the Member for Inverclyde, who was probably closer to the debacle than he likes to remember—*[Interruption.]* He was not responsible for it, but is certainly familiar with what occurred in May 2007. As he has pointed out on many occasions, although at the beginning of its consultation document the interim electoral board quoted Ron Gould saying that there should be no more overnight counts, what went wrong in 2007—the breakdown of the counting machines, the confusion over the ballot papers—would have occurred anyway. Delaying the count until Friday would have had absolutely no effect on a single ballot paper.

We have discussed accountability; it is the title of this debate. As my hon. Friend said, the Government cannot and should not run election counts, and returning officers' operational duties must be seen to be utterly immune to political interference. However, it has been suggested that some amendment to the Constitutional Reform Bill currently before the House might be phrased so as to place a duty on returning officers to make every effort to count as soon as possible after the polls close. Will the Minister indicate in winding up whether he believes that such an opportunity might be available next week? I am more than happy to table such an amendment if it is deemed appropriate.

There is arrogance and high-handedness among returning officers, who—certainly in Scotland—are all paid six-figure sums for their day job as chief executive of a council. If they really believe that the job of returning officer is beyond them, if they cannot cope with the responsibility of conducting a punctual count of ballot papers immediately after the polls close, and if their other duties as chief executives of local authorities delivering important services to local people are far too important to allow them to spend much time doing the job of a returning officer, then, as the hon. Member for Brentwood and Ongar said, there are other people willing to take up the reins. If they cannot do the job, I am sure that others will step forward.

Why is it important to hold the count immediately after polling? It has entertainment value. The hon. Member for Brentwood and Ongar seemed almost to dismiss that, but it should not be dismissed. A general election count is an important television event. We should not underestimate or dismiss the value of making politics entertaining, and even gripping, at a time when engagement in politics is, by all accounts, fading. My earliest political memory is of keeping my mum company on the sofa during the early hours of a Friday morning after everyone else had given up and gone to bed. Her fascination with what was happening in the country and with the results as the night unfolded was so infectious that it influenced the choice of my current profession.

Another reason is that holding the count immediately after polling is democratic. I cannot emphasise that enough. A delayed count justified by all the erroneous excuses to which I have referred would send out an appalling message that the casting of votes as part of the country's decision about which party should form the Government is not important enough to do quickly, and is certainly not as important as in the past.

Mr. David Wilshire (in the Chair): Before I call Mr. Ruane, may I point out that I hope to call Jo Swinson at half-past 10?

10.24 am

Chris Ruane (Vale of Clwyd) (Lab): I shall be as brief as possible, Mr. Wilshire. I congratulate my hon. Friend the Member for Inverclyde (David Cairns) on securing this debate and thank him for the praise that he heaped on me. I would also like to recognise other MPs who have campaigned on the issue.

I was first alerted to the issue by my hon. Friend the Member for Dumfries and Galloway (Mr. Brown), and a band of us, including my hon. Friends the Members for Edmonton (Mr. Love), for Sheffield, Attercliffe (Mr. Betts) and for Weaver Vale (Mr. Hall), have campaigned on it for nine years. I have tabled 260 questions about electoral registration and, along with other MPs, have had about 10 meetings with the Electoral Commission. I have met every single Minister and Secretary of State and contacted hundreds of my colleagues about the important issue of electoral registration.

We had some success with the Electoral Administration Act 2006, convincing Ministers to alter the balance not just by securing votes to prevent postal ballot fraud but by widening participation. However, I judge success by numbers. Ten years ago, 3.5 million people were missing from the electoral register; today, 3.5 million people are also missing. There has been very little progress on electoral registration officers' function of ensuring that everybody who should be on the register is on it.

There are many reasons for that. The performance indicators developed by the Electoral Commission are inadequate and rely on self-assessment, which is not always the best form of assessment, even with follow-up. It is not good that it has taken three years—from 2006 to 2009—to determine officers' performance. When I met the Electoral Commission last year, I asked whether it would write to each MP who had an underperforming

ERO. It said that it could not do so. I had to go on the Electoral Commission website, which was not functioning properly, look at each individual authority and determine which EROs were not performing, find out the MPs for those local authorities and contact them to tell them that they had an underperforming ERO.

That should not be down to me as a Back-Bench MP. The Electoral Commission should be engaging MPs, Assembly Members, MSPs, Members of the Legislative Assembly and local councillors to tell them that they have an underperforming ERO. I am pleased that today's answer to a parliamentary question that I tabled last week has at least named all the underperforming EROs. There are 66 of them, including eight in Wales—Caerphilly, Carmarthenshire, Conwy, Merthyr Tydfil, Newport, Rhondda, Cynon and Taff and the Vale of Glamorgan—and several in Scotland.

Things are not progressing as they should be. Self-assessment is not effective and needs to be enhanced. Perhaps it is down to a lack of training or ignorance on the part of some EROs. I was informed last week by a colleague that when he asked his local ERO whether he would go on an electoral registration drive, the ERO looked at the wards and said, "Hold on, these are Labour wards. It would be political if I got them on the register." That is not the case. It is not about benefiting one party or another. The worst performing authority in the country is a Conservative authority. The worst in Wales is a Plaid Cymru authority: it is Ceredigion, with 55 per cent. electoral registration. The issue is not about politics, but about democracy—and a basic building block of democracy is the register.

I tabled a parliamentary question about the funding for electoral registration in England, but the figures are not collected centrally, although they are in Wales. I asked for the figures in Wales and then analysed them in descending order. Lo and behold, the more money spent on electoral registration, the better the registers. Who would have thought it?

Under the Electoral Administration Act 2006, the Government gave £17 million to local authorities for electoral registration. It was not ring-fenced, so the Government do not know whether the money is being spent on what it should have been spent on. We need to follow the trail. The minimum that we should do is allocate the money and say, "This is what you should be spending it on. If you don't spend it on that, we'll want an explanation."

On individual registration, there are currently 3.5 million people not on the register. If individual registration is introduced, we will lose another 3.5 million people; that would make 7 million people. Those are some of the most disadvantaged people in society. A third of the poorest people in the UK are off the register. There cannot be a functioning democracy without those people on the register.

I pay tribute to my local authority, Denbighshire county council, and its electoral registration officer, Gareth Evans. Over the past three or four years, he has put a further 6,000 people on the register, taking it from 50,000 to 56,000. That was done through active dialogue with me and through the support of the local authority. Nevertheless, we still have only a 92 per cent. registration rate according to the latest figures for the United Kingdom, which are there for everybody to look at in the House of Commons Library. I congratulate my officer, Gareth Evans, but 92 per cent. is not good enough, so I wish him the power, the will and the finance to do even better.

Several hon. Members *rose—*

Mr. David Wilshire (in the Chair): Before I call Jo Swinson, I should say to Members that I have also been in the position of being frustrated when I could not be called. I am sorry, but I said that I would call Jo Swinson at 10.30.

10.30 am

Jo Swinson (East Dunbartonshire) (LD): Thank you, Mr. Wilshire. I congratulate the hon. Member for Inverclyde (David Cairns) on securing this debate and on his thorough and well-argued introduction. We have benefited from his experience of being a Minister in charge of electoral administration and of proximity to the difficulties in the Scottish elections in 2007, as has been mentioned.

I also congratulate the hon. Member for Glasgow, South (Mr. Harris) on tabling the early-day motion on this issue and on encouraging Members to hold an Adjournment debate on the subject. I am glad that we have that opportunity today. The over-subscription of speakers in this debate goes to show the interest of MPs in all things electoral.

I will focus mainly on the issues of election night. Before I come to that, I should say that I think returning officers do a vital job. It is not always a straightforward one, and in some cases they have to make difficult decisions and judgment calls. It is right that they should be able to get on with it independently of politicians, within the framework that Parliament sets.

The move towards additional postal voting in recent years has been helpful for democracy. I am sure that when knocking on doors, other hon. Members have spoken to elderly people who are concerned when an election is coming up. For example, we had a by-election in my constituency in December when there were slightly more treacherous conditions and it was getting dark very early. The ability to apply for a postal ballot without the need for huge forms or doctors' letters has enfranchised many people. Issues of fraud have been raised as a result of postal voting so I welcome that signatures are now required. That raises the issue of verification, but the implementation does not generally seem to have been problematic.

I was shocked by the statistic, given by the hon. Member for Vale of Clwyd (Chris Ruane), that 3.5 million people are not on the electoral register. That should shock and horrify us all. Being on the register is vital if people are to have a voice and choose who should represent them.

Chris Ruane: Would the hon. Lady like to comment on the former Liberal Democrat leader of Islington council, who wanted to keep even more people off the register?

Jo Swinson: I am interested in the damaging allegations that the hon. Gentleman has made about my colleagues in Islington. I imagine he is referring to the events of 2006. As he knows, Islington council holds an annual registration drive, in common with other local authorities. More than 90 per cent. of people are registered. I accept his point that 92 per cent. is not

[Jo Swinson]

good enough and that we should aim for 100 per cent. However, the evidence that the council is working hard on registration is there.

A press release by the hon. Member for Islington, South and Finsbury (Emily Thornberry) on this matter was the subject of a standards investigation and was branded "unwise". The Electoral Commission took the matter up and expressed its concern, saying that the press release was misleading. I urge the hon. Gentleman to exercise caution before deciding to go down this route because the matter has been investigated by the Commons authorities. It was found not to be the scandal that he suggests it was.

On the timing of general election counts, we would all agree that accuracy should be a top priority. Clearly, overnight counting has not led to massive problems of accuracy over the past decades. The case of the machines and spoiled ballots in 2007 has been discussed. The problems with the Scottish elections would still have happened had the count taken place on the next day. Neither of those problems is likely to occur in the general election. On spoiled ballots, I am sure that we will be spared the wording "Alex Salmond for First Minister" on the ballot papers. The issue of counting machines will not come into play because under the electoral system used for the general election, the ballots can be counted by hand.

Mr. Tom Harris: It is likely that the general election will be held on the same day as local elections in England, as has happened on many occasions recently. If the electoral system for Westminster changed to the alternative vote, would there not have to be a rule that that could not happen again? As the Gould report concluded, there should not be two elections using different systems on the same day.

Jo Swinson: The experience we had in Scotland suggests that holding the elections at different times would be helpful. Fixed-term Parliaments would make that easier. All our other elections are held on a fixed-term basis. If we had fixed terms in Westminster, there would be certainty and this issue would not raise its head.

To find out what the public thought, I used Twitter and Facebook last night to share an excellent Electoral Commission document that states which authorities and constituencies are counting when, based on its study. I asked people what they thought. A few people thought it was fair enough if the count did not take place until the Friday, but the majority of people commented that they wanted the count to take place that night. They said things like:

"Delay is not good for democracy. Things must be seen to be fair as well as be fair."

That is very important. Another person pointed out the difficulty that political volunteers would have attending the count if it was held on the Friday, saying

"not all employers are helpful about time off".

I recall hoarding holiday for elections when I worked in the private sector before I came to this place. Political activists face such difficulties. Other people wrote that

"it's half the fun seeing it all play out like that"

and that the count is such a buzz. Another said that

"overnight counting is sadly 1 of the last interesting features of elections".

We should bear those comments in mind. Some people really appreciate the count.

The hon. Member for Brentwood and Ongar (Mr. Pickles) said that the potential impact on the financial markets was important. That is interesting, but I am not sure that I agree completely. He suggested that the traditional element of general election night and the experience were less important. I am inclined to agree with the hon. Member for Glasgow, South on that point.

Mr. Pickles: The hon. Lady has misunderstood what I said. My point is that the entertainment value is not as important as the exercise of democracy and the orderly transfer of government.

Jo Swinson: I accept that point, but the entertainment value does have an impact on democracy. It helps people to engage with and take an interest in our democracy. That is good for turnout and for political engagement between elections, such as people contacting their Members of Parliament and getting involved in politics.

Geraldine Smith *rose—*

Jo Swinson: I am sorry, but I have only a short time left and want to make some progress.

Election night is watched by millions of people—not just political anoraks, but those who are interested in current affairs. It often becomes a social gathering with people inviting their friends around, getting food in and making an event of it. I experienced that during the 2005 election, when many people from university whom I had not heard from for years suddenly texted to congratulate me on winning after watching the coverage on television. That is worth preserving.

There are a few circumstances in which it might not be possible to do the count on election night. For example, ballot boxes might have to be taken on ferries or there might be difficult weather conditions on the islands. Everybody accepts that the count cannot take place overnight if there are extenuating circumstances. In general terms, however, we should stick with the system, and returning officers should be encouraged to do so.

The postal vote argument is a total fallacy. As campaigners, we all know that most people fill in their postal votes and send them in as soon as they receive them, which is why when they go out is an important time in the campaign. A tiny percentage of such votes come in on polling day itself. That matter can easily be dealt with without it taking two to three hours. I shall be interested to hear the Minister's comments on how we can encourage returning officers to ensure that the counting takes place on polling night—for the sake of interest in our democracy, to be seen to be fair and to take into account the security concerns raised earlier.

10.40 am

Mrs. Eleanor Laing (Epping Forest) (Con): I seriously congratulate the hon. Member for Inverclyde (David Cairns) on initiating the debate; this is really the first chance that we have had to discuss this important issue.

I remember well the hard work that he put into taking the Electoral Administration Act 2006 through the House, because I tried to stop parts of it. In general, he knows the subject as well as anyone, and I agree with every word that he said in his speech and with how he set it out. Of course, I also agree with the comments of my hon. Friend the Member for Brentwood and Ongar (Mr. Pickles).

The issue must not be dealt with in party political terms. We have not done that, and I think we have achieved consensus this morning. We are all concerned about the inconsistency of the work of returning officers throughout the country and, as a result of research, we are also concerned that returning officers are not accountable to anybody directly. I think I am right in saying that returning officers are accountable to the courts and the electorate by virtue of the Ballot Act 1872. If I am wrong, I am sure that the Minister will correct me. That Act sets out the current law, which has not been changed since. I do not think any of us foresaw the problems that would arise.

The Electoral Commission has spent a long time considering the matter and has issued guidelines. We cannot blame the Electoral Commission for things that might go wrong, because it has limited powers. It is up to the Government to give the Electoral Commission further powers if that is deemed necessary, and that seems to be the direction in which we are going this morning. As other hon. Members have said, the Electoral Commission can, of course, set performance standards, and it has done so.

However, the returning officer is required to justify his actions. We have not yet discussed that point, but we should all be asking returning officers to justify their actions. There are currently 52 returning officers who have informed the Electoral Commission that they will for various reasons not count votes until the day after a general election. What justification have those 52 returning officers given? We do not know, but we can find out. This is an important subject of public interest and the returning officers should be asked to justify their decisions, if not by the Electoral Commission then by each individual Member of Parliament or anyone else who is interested in the matter.

I understand the concerns of the Electoral Commission to prioritise accuracy; indeed, we talked about that during the passage of the 2006 Act, which the hon. Member for Inverclyde took through the House. I have lost count of the number of times that the Minister and I have had exchanges on the matter at the Dispatch Box over the past year. However, we are agreed—I think he will agree with me here—that the accuracy of the register and the integrity of the ballot are the most important factors that we are all aiming for in bringing forward changes to the electoral system.

Chris Ruane: The hon. Lady mentioned the importance of the accuracy of the register and the integrity of the ballot. Will she assure hon. Members—this is a question I intend to put to the Minister, if he will allow me to do so later—that she and her party are not considering disenfranchising 1 million Commonwealth voters or 700,000 Irish voters?

Mrs. Laing: Yes, of course I can. We have also talked about the comprehensive nature of the register, which is extremely important. Everyone who has a right to vote must be on the register. However, that is a digression, so I will not pursue the issue that the hon. Gentleman is asking me about.

I understand very well the extra duties that we have imposed on returning officers as a result of the new rules on the verification of signatures for postal votes and so on. Unfortunately, as various hon. Members have said this morning, the impression is being given that the duty of a returning officer to make his return as soon as practicable is being interpreted as an excuse for not dealing with the challenges, rather than as a duty to deal with those challenges. The Electoral Commission states

> "There are various local factors that ROs will take into account when deciding on the timing of the election count, including: geography".

Fair enough—in the Western Isles, votes cannot be counted until Friday, and in other places around the country that is also the case. Of course we all understand that and think it is perfectly reasonable. However, in most places it is perfectly possible to have the ballot boxes brought in on time.

The Electoral Commission also refers to the

> "availability of staff and venues".

I just do not believe that it is impossible for a returning officer to find a suitable venue and enough staff to carry out the work that needs to be done to hold an immediate count and result. The security of the ballot boxes has been mentioned by other hon. Members. Of course it is worrying that ballot boxes would be left all night before the vote had been counted. That enormous problem ought to be a balancing factor, but in some cases returning officers appear to be ignoring it.

Finally, the Electoral Commission refers to the

> "volume and management of postal votes returned across the constituency".

That matter has also been dealt with, and I agree with what other hon. Members have said about postal votes. We are talking about a minority of postal votes. Of course, people sometimes come in at 10 o'clock at night just as the ballot closes and hand in their postal vote, but how many hundreds of those will there be in each constituency? Not many.

Knowing the result of the general election is not comparable to waiting until Sunday to see who wins "Strictly Come Dancing." It is matter of importance to everyone, whether they know it or not. I publicly make the point that I do not believe we are here this morning to speak on our own behalf because we—the people who are deeply involved in politics and political activity—want the excitement of election night. The issue is not about that. As my hon. Friend the Member for Brentwood and Ongar said so eloquently, the matter is about the potential transfer of power in this country.

Mr. Tom Harris: Or not.

Mrs. Laing: Or not. We have always had a system that is immediate, and that is one of the basic building blocks of our democracy. It matters. That is how we do it here, and the fact that that is being changed because of perceived administrative problems is simply unacceptable.

I now come to the important point: we have a consensus here this morning and, I think, throughout the House. Simply changing how our general elections are run for

[Mrs. Laing]

the administrative simplicity of some returning officers who are accountable to no one is unacceptable. So, what can we do about it? First, let us make it clear that the assumption should be that the count should take place at the close of the poll unless the returning officer can publicly justify his actions in deciding otherwise. In some places that will be easy and in some places it will not. Returning officers have made decisions that they have not been required to justify. Let us now ask them to justify their actions publicly. There has been no update to the precise law on returning officers' duties since the 1872 Act.

The Minister knows very well that the Constitutional Reform and Governance Bill has been amended and expanded considerably over the past few weeks, and the Opposition have agreed with much of the expansion that the Government have brought forward; we have co-operated with it. I am considering bringing forward an amendment to the Bill on Report to deal with the matter. It would be far more effective, however, if the Government did that. I give an undertaking that, if the Minister brings forward such an amendment on Report, he will have our support.

10.50 am

The Minister of State, Ministry of Justice (Mr. Michael Wills): I not only congratulate my hon. Friend the Member for Inverclyde (David Cairns) on securing the debate, but thank him for doing so. The quality of the contributions speaks for itself, and the fact that attendance has been in the double figures speaks for the great importance that the whole House attaches to the subject. Important questions of principle and practice have been raised.

We heard important contributions from the Front Benchers, the hon. Members for Epping Forest (Mrs. Laing) and for East Dunbartonshire (Jo Swinson). Important contributions also came from my hon. Friends the Members for Chorley (Mr. Hoyle), for Central Ayrshire (Mr. Donohoe), for Glasgow, South (Mr. Harris) and for Gloucester (Mr. Dhanda). We also heard from the hon. Member for Brentwood and Ongar (Mr. Pickles) and my hon. Friend the Member for Morecambe and Lunesdale (Geraldine Smith). All of them have made important contributions to the debate—*[Interruption.]* Of course, I must not forget the contribution made by my hon. Friend the Member for Vale of Clwyd (Chris Ruane), which was so important that I have a whole sheet of paper devoted to his comments. He has made an important contribution to the matter over many years, and he and I have had many exchanges about it. His hard work has informed the framing of legislation on at least two occasions, so I thank him in particular.

An important point of principle that underpins the whole debate is the position of the electoral registration officer in our constitutional arrangements. The ERO's position is important in registration, and my hon. Friend the Member for Vale of Clwyd rightly highlighted how important that is, as 3.5 million eligible voters are not on the register and are therefore unable to vote, which is a scandal. We have to do something about that, and I will come to that point in a moment.

Their position is also important because of the way they conduct elections. That brings us to an important point of principle: they are independent of political interference, and rightly so. My hon. Friend the Member for Inverclyde rightly drew attention to the importance of that. I think that Members from all parties would agree that we in this country are fortunate that our elections are free of corruption and delivered efficiently. There have, of course, been exceptions with regard to efficiency, and there have been isolated examples of corruption, but generally we are very fortunate and owe a great debt of gratitude to those EROs who deliver elections in that way.

However, we cannot and must not be complacent about fraud, under-registration or the issues that have been raised today. Whatever further changes we might have to make—and we have made some already—it is important that they enhance the integrity and independence of the ERO. There is no evidence of widespread problems in that area, although there is widespread concern about election night, to which I will return in a moment. We cannot and must not be complacent.

With regard to what we can do about the matter, the Government have to be careful. The hon. Member for Brentwood and Ongar characteristically reflected his party's position. He said he wants

"to set local authorities free"—

except, of course, when they behave unreasonably, in which case he seems to want the Government to direct them to behave in a particular way. I know that it is a characteristic of the modern Conservative party to want to be all things to all people at all times, and in all weeks, but as my hon. Friend the Member for Morecambe and Lunesdale pointed out, they really cannot always have it like that.

Mr. Pickles: I am sure that the right hon. Gentleman misquoted me inadvertently. He asked me a specific question on ring-fencing, to which I gave a specific answer—no, we do not favour ring-fencing and want to set local authorities free to set their own priorities. That does not mean to say that the Government cannot do so or must abrogate their role, so I would be most grateful if he did not seek to find a political divide on an issue in respect of which there is so much to unite us.

Mr. Wills: Of course not, but there are divisions between us, and the hon. Gentleman alerted Members to them in his own remarks. I was not referring to the ring-fencing remark. I hope that I am not misrepresenting him, but I think that if he looks at his remarks he will find that he said he really wanted direction to be made in relation to election night. I will return to that point. If we accept that local government should be set free, I think that he will accept that there are limits to what the Government should do in relation to everything, and in relation to election night.

Chris Ruane: The hon. Member for Brentwood and Ongar said that local government should be allowed to set its spending priorities according to local priorities, but electoral registration is not only for local government, but for Assemblies, national Government and EU-wide government. The issue is so important that the money should be ring-fenced.

Mr. Wills: I am grateful to my hon. Friend. On the question of the accountability of EROs, we must tread extremely carefully. Anything we do must enhance their

independence and integrity. The hon. Member for Castle Point (Bob Spink) drew attention to the theoretical—but on occasion, actual—risk that local government officers, including EROs, can become subject to political pressure.

The risk falls into three categories. First, local officers can become too "comfortable", as the hon. Gentleman put it, with the dominant political party. Secondly, they can, of course, be pressured by a dominant political party in a local authority. That is not a party political point, as all parties can be dominant in a local authority and the risk arises in all circumstances. Interestingly, when I raised that issue at a recent conference of EROs, one of them stood up and said, "We want protection from councillors who pressurise us, and we want severe sanctions for those local councillors who seek to bully or pressure us to behave in a partisan way." That is clearly a voice that we must hear.

Thirdly, there is at least the possibility of EROs acting in a directly partisan way. As I have said, there is no widespread evidence that that has taken place at all. The great majority of EROs, and the great majority of councillors of all parties—I make that clear—behave in a way that scrupulously respects the integrity and independence of the system. However, we cannot be complacent, so that is something that all of us must look to improve in future.

Geraldine Smith: My right hon. Friend is right. All returning officers will act in an honest and honourable way, but most people also like the easy option—and the easy option in this regard is counting the votes the next day. The onus, as the hon. Member for Epping Forest (Mrs. Laing) pointed out, should be on the returning officer to justify why they cannot count the votes immediately after the poll.

Mr. Wills: I was going to move on to that point. I agree with my hon. Friend and the hon. Member for Epping Forest on that issue.

In the brief time left, I want to make two points. The first relates to the self-assessment of EROs. That is an important step forward. I accept that there are problems with any method of self-assessment, but the crucial test for the performance of EROs in relation to registration will be the delivery of a comprehensive and accurate register. It is not comprehensive and accurate at the moment. The Government have brought forward proposals for individual registration, which should be implemented by 2015. They will be implemented on the basis of a comprehensive and accurate register. The whole country, and not just the House, will judge all those responsible for registration by how far they deliver on that statutory objective. There is no hiding place. That will be measured by an objective test in the near future.

My second point relates to the overnight count. I have heard everything that has been said in the debate and will reflect on it. There is clearly a consensus across the House that all those responsible for delivering the count need to do everything in their power to deliver it overnight. I agree with that from a personal perspective. As the Minister responsible for elections, I have no role in directing EROs to do anything at all, and I want to ensure that everyone understands that I respect their independence.

However, if any are still considering not holding overnight counts, I hope that they will read the record of this debate and reflect carefully on the strength of feeling. At the very least, if they decide not to hold an overnight count, they will have to have extremely good reasons. Whatever happens, they can expect to be rigorously scrutinised, and should realise that this House will take the matter forward after the next election. I have no doubt at all that that is the conclusion that everyone will draw from the strength of feeling in this debate, and I am extremely grateful to everyone who has contributed to it. I have no doubt that it will move the policy on in some way or other in the future.

Mr. David Wilshire (in the Chair): I hope that hon. Members will forgive me for allowing the Minister to finish his comments. They no doubt wanted to hear them, but we should not have done that. We will pause for half a second while those who want to leave do so, and then we will start all over again as quickly as possible.

HIV/AIDS

11.1 am

Mr. David S. Borrow (South Ribble) (Lab): I am grateful for the opportunity to raise the issue of HIV/AIDS in this Adjournment debate. I have discussed these matters frequently with my hon. Friend the Minister in her present role in the Department of Health and in her previous role in the Department for International Development. As chairman of the all-party AIDS group, I have dealt with the significance of the disease overseas and also in the UK.

I wish to concentrate this morning on HIV/AIDS in the UK, and to focus initially on the problems of late diagnosis of HIV status. It is estimated that 27,000 people in the UK are HIV-positive but have not yet been diagnosed as such. Of the 7,000 diagnoses that are done in most years, more than half are classed as late diagnoses, by which we mean that the CD4 count has dropped below 350, which is taken by the British HIV Association as the measure of a late diagnosis.

The significance of late diagnosis and the fact that 27,000 people have not been diagnosed is, first, that when they are eventually diagnosed and get treatment, the treatment is likely to be less successful because their CD4 count has dropped below 350. Secondly, the fact that they have not been diagnosed means that they are likely to continue to engage in the risky behaviour that resulted in their HIV status in the first place. If they are diagnosed, the chances of their changing that risky behaviour will improve. Also, when people go on antiretroviral treatment, the drugs reduce their infectivity, so even if they continue to engage in risky behaviour, the likelihood of their transmitting the disease to somebody else is vastly reduced.

If we could reduce the number of people in the UK who are HIV-positive and do not know it, and end the situation in which more than half the people who are diagnosed are diagnosed with CD4 counts below 350, we would have an opportunity to do something significant in reducing the number of new cases and infections. That is where I am coming from in this discussion.

I know that the Department of Health is working on this matter, and I welcome the work that it is doing. During the Labour party conference in Brighton last year, I visited a pilot that the Department is running there. I visited a general practitioner surgery that was preparing to offer new patients the HIV test in a routine manner—it was not doing so then but should be by now. A similar scheme was operating in a hospital in Brighton—I have discussed this with a number of people—where people were being diagnosed HIV-positive as a result of being offered the opportunity to be tested. The key is to increase the number of people who are tested.

At present, we have a system for routinely offering pregnant women an HIV test, and take-up of that is generally reaching the targets, but I was told about a situation in my region, in Liverpool, where the figures were much lower than in the rest of the north-west. When that was investigated, it emerged that when the medical practitioners in the hospital offered pregnant women the opportunity of a test, they would often say, "It is only if you sleep around that you need the test." The way in which people were given the opportunity to be tested was changed, and the figures in Liverpool rose. There is a great deal of work to be done.

I would like the Department to focus on this issue in a major way, and perhaps set a target to halve the number of undiagnosed individuals in the UK, which is now 27,000. In London, the NHS has done a great deal of work, setting and focusing on targets to try to reduce the number of undiagnosed infections.

Work needs to be done in a targeted way; there is no simple solution. What one does for men who have sex with men is very different from how one would work with the African community. That raises a broader issue in relation to sexual health services. I remember visiting the local genito-urinary medicine clinic in Preston a few years ago and being told that one had to wait more than a month to get an appointment. When I went back 18 months later, it had a daily drop-in clinic, and I believe that that was a result of NHS targets. Targets can work and make a difference.

In my part of Lancashire, which is a low-prevalence area, there is only the one GUM clinic. It is the centre for people who want to be tested, but it serves a large area from Preston down to Skelmersdale and Ormskirk. Further developments are required, and I know that the matter is being discussed locally. We need to focus on areas with high prevalence, which obviously explains what is being done in Brighton, but we must recognise the need to work in low-prevalence areas as well.

We should also acknowledge that for the many people who are HIV-positive, receiving treatment and living successful lives, the primary contact for health services should be their GP. That has not traditionally been the case for many HIV-positive people, so some work needs to be done there as well.

We need to make it easier to be tested. At present, it is illegal in the UK to do home testing. In the same way that there are home-testing kits for pregnancy, there are home-testing kits for HIV. One can order them illegally on the internet.

I remember visiting a coal mine in Johannesburg where the aim of the owners of the mine was to get every member of staff tested every year, on a voluntary basis. That was the target. Testing was done not by taking a blood sample but simply by taking a mouth swab. Within a short time, one could tell with the mouth swab whether someone was HIV-positive. The test is not as accurate as a blood test, but it is a quick and easy way of doing it, and people can then be tested by taking a blood sample at a later stage.

If we could legalise a good home-testing kit, it would be much easier for many individuals to get tested on a regular basis, and it would go some way towards reducing the number of people—27,000—who are undiagnosed but HIV-positive. I hope that the Minister will look favourably on that point.

Bob Spink (Castle Point) (Ind): I congratulate the hon. Gentleman on his consistent, caring and effective work on HIV/AIDS over many years. Will he explain whether the testing kit would flag up the need for those who had a positive result to get a full and proper test because it would not be definitive in itself? Will he explain why such kits are not legal so that we can understand him better?

Mr. Borrow: Twenty years ago, if someone tested positive for HIV, the odds are that that would have been a death sentence. Therefore, pre-test and post-test counselling was regarded as important. Much less

counselling is needed now because in most cases if people test HIV-positive, particularly if they are tested early when their CD4 count is above 350, the odds are that they can be put on antiretroviral treatments fairly quickly, that they can live ordinary, active lives and keep their jobs going, and that the trauma will not be as great as it would have been 20 years ago. HIV and AIDS are now regarded as chronic conditions rather than as a death sentence, which has changed the dynamic somewhat. However, if people assume that they do not need to bother about the risk of becoming HIV-positive because they can take a pill and they will be all right, which is not 100 per cent. correct, that is a slight difficulty.

I want to talk at some length about the stigma, which makes it more difficult for people who are HIV-positive to get access to services. Initially, the focus should be on general practitioner services. More than half of people who are HIV-positive have not told their GP about their status: they get their HIV drugs from a clinic, but their GP does not know about their condition. Given that ever more people are living with HIV and getting older, and getting the diseases and conditions of maturity, there is a problem: if they are on medication for HIV and taking medication for other things, those may not work smoothly together. It is important that the GP is informed and knows about the condition of their patient.

Many HIV-positive people are concerned about confidentiality. There are examples of GPs' receptionists passing on information and of files for HIV-positive patients being coloured in a particular way. In areas such as mine, which is semi-rural, it would be fairly clear if things were not done discreetly in respect of a handful of HIV-positive patients in a practice. The NHS needs to tackle that issue at GP level, because people should be able to be tested at their local general practice, as I have seen taking place in Brighton. That should become much more commonplace. We should be looking to develop more skills within general practice.

Another thing is common in the NHS. I attended a meeting with the Minister and the Secretary of State with a young man who had been refused access to dental treatment on the basis of his HIV status. I sometimes think that dentists have not really caught up with the changes that have taken place in the past 20 years. It is not uncommon for people to be denied dental treatment or to be told that they must be the last patient of the day because the dentist needs to take special precautions, which is not the case.

I recently received a letter from an individual who complained that although he needed a muscle biopsy medical staff told him they could not take the sample because they did not have the facilities to handle that safely. Again, that is nonsense. The NHS should be able to do that, but obviously there is a great deal of ignorance.

A report from UK People Living with HIV Stigma Index, which I discussed with the Secretary of State, shows that many HIV-positive people feel discriminated against, particularly in health services and more generally. That is not an issue of spite and nastiness, but is to do with ignorance. If a head teacher, out of ignorance, does not respect the confidentiality of a child who is HIV-positive and whose mother has taken them to see the head teacher to explain the need for their treatment and so on, and the parents of the other children subsequently demand that that child is removed from the school, that happens out of fear and ignorance not out of spite towards that child. We need to begin to tackle such issues.

The George House Trust, which is an HIV charity in Manchester—in my area—offered a positive speakers training programme on HIV. It found, when training NHS staff, that fewer than half of the health professionals interviewed were able to identify correctly the routes for HIV transmission from a list of routes shown to them. I spoke to a former nurse who worked at an NHS hospital in the north-west, who was diagnosed as HIV-positive and had some difficulty coming to terms with that. In a short space of time his employment at the hospital was ended because he was made to feel so uncomfortable by the staff whom he had worked with. He currently receives treatment at another hospital some distance away. A lot of the problems are down to the fact that there is still a great deal of ignorance on the part of NHS staff. One would expect that people working in the health service would have the best knowledge, but that is not so at the moment.

I have some data from MORI, which did some polling in 2000 and 2007. In 2000, 91 per cent. of people knew that HIV could be transmitted during sex between a man and a woman without a condom, but by 2007 that was down to 79 per cent. In 2000, 77 per cent. of people agreed that people with HIV deserve the same level of support and respect as someone with cancer. That figure had dropped to 70 per cent. by 2007.

There is growing ignorance about HIV among the general population. In the past, and currently, the Department has focused HIV prevention work on the groups that are most at risk: intravenous drug users, people with an African connection and men who have sex with men. That is good in the sense that it reduces the risk of people becoming infected. However, to tackle stigma, there needs to be a reasonable level of knowledge and understanding among the general population about the disease and how it can be transmitted. That will affect how HIV-positive individuals are dealt with and will lead to HIV-positive people finding it easier in the workplace and easier to deal with health services—and it will make them less fearful of being tested in the first place, which is a problem.

I ask my hon. Friend the Minister for better training for NHS staff and third sector services. People living with HIV need to be involved in the development of that training, because often they are excluded from this area. The Department needs to work with professional bodies to educate those already employed in the NHS and needs to consider working with qualification bodies to integrate HIV awareness into the medical student curriculum.

There needs to be zero tolerance of any breach of confidentiality, because having spoken to a number of people living with HIV I know that such breaches, or the thought that there could be a breach, stops them telling their GP that they are HIV-positive. Their GP needs a full picture of their medical condition to give them the best treatment and to be the main support.

It is nearly 11.20 am, which is when I intended to finish my speech, so I shall now sit down and listen to the response from my hon. Friend the Minister.

11.19 am

The Minister of State, Department of Health (Gillian Merron): I congratulate my hon. Friend the Member for South Ribble (Mr. Borrow) on securing this debate on a matter that he champions as chair of the all-party group on AIDS, a role to which he brings a sound knowledge and persistence that I and many others inside and outside the House welcome. The debate is timely, because tomorrow I shall host a conference on sexual health. Reducing HIV infections must remain at the forefront of our minds and actions as we start to develop a new sexual health strategy to take us forward in the next 10 years.

We face a number of challenges, which my hon. Friend set out well. We must remember that the prognosis for a person in the United Kingdom who is diagnosed with HIV today is a world away from what it was in the 1980s, when it was a killer with no treatment available and no hope. With the development of highly effective treatment, HIV is now a condition, albeit a chronic one, that can be managed with medication and regular monitoring. However, we are not complacent, and we are still some way from a cure, so prevention remains the most important and effective weapon for tackling HIV.

The difficulty is that although treatment has improved and the death rate is lower, which is welcome, some people have let their guard slip, as my hon. Friend said, when it comes to protecting themselves from HIV. It has not gone away. Treatment is lifelong, gruelling and complex, and people must take precautions to protect themselves and their partners from infection. My hon. Friend made a good point when he said that late diagnosis is the biggest contributor to mortality, but the condition is preventable.

The UK has a good track record of preventing HIV infection, but we want to do even better. Our prevalence rates are comparatively low by European standards, and much lower than in Spain, Italy, France and Portugal. A quarter of those living with HIV in this country are undiagnosed. Figures from the United States suggest that more than half of infections are transmitted by people who do not realise that they are HIV-positive. That is why the Government's fight to increase detection and reduce transmission of HIV continues. We have increased investment over the past 10 years in national HIV programmes run by the Terence Higgins Trust and the African HIV Policy Network. We are pushing the boundaries by funding eight pilot programmes in HIV hot spots to see how we can normalise testing in places such as GP surgeries, hospitals and community health settings, instead of just in sexual specialist health clinics. I was pleased to hear that my hon. Friend had visited the pilot in Brighton.

My hon. Friend referred to self-testing, and I understand why. I hope that he will welcome the fact that the pilot in Sheffield involved home sampling. We focused on tests being carried out by people in the privacy of their own homes, with diagnosis by experts. That is legal, and takes advantage of the available technologies, but the difficulty is that technology does not at present provide a decent quality test, and we know the consequences of a misleading test. I am optimistic about that pilot and look forward to such a test. I will share the results of the pilot with my hon. Friend.

Our progress is backed by nationwide changes in policy and medical practice. The decision in 1999 to start recommending HIV tests to pregnant women prompted a dramatic fall in the proportion of those giving birth to HIV-positive babies. HIV tests are now standard for sexual health screening, so the proportion of those who voluntarily take such a test in genito-urinary medicine clinics rose from 77 per cent. in 2004 to 93 per cent. in 2008. That shows the benefits to which my hon. Friend referred.

I share the view that the biggest enemy of progress is stigma. HIV still has the power to define someone in a way that other illnesses do not. Too many people with HIV still experience shame and isolation because of the diagnosis, which may manifest itself in discrimination in the workplace, the community and, as was said today, even health services. It is hardly surprising that many people are extremely wary of being tested, and may react with shock or hostility if a GP or nurse suggests an HIV test.

I agree that if we want to increase testing and reduce the number of undiagnosed cases even further, we must demolish stigma and discrimination. That is one of the five goals set out in our national strategy for sexual health, which funded voluntary organisations to produce information for journalists, employers, health professionals and people with HIV. Much of the stigma surrounding HIV cannot be separated from homophobia, and we are acting to root out discrimination and prejudice against the gay, lesbian and transsexual communities. We should not forget that this Government equalised the age of consent, repealed section 28, and passed the Gender Recognition Act 2004 and the Civil Partnership Act 2004. Those are landmark achievements that have changed people's lives by giving them respect, dignity and equality on the basis of who people are, not what they are labelled as.

My hon. Friend referred to his concern about denial of treatment and the way in which treatment is given by some health professionals. People should not be denied treatment by dentists because they are HIV-positive. It is not a bar to access to the full range of NHS health care. People with HIV should be treated the same as everyone else and in the best clinically appropriate way. I assure my hon. Friend that we are raising awareness among the health community, because we know that doctors, nurses and community health teams are important in offering and encouraging more people to take HIV tests, as well as in delivering services.

Mr. Borrow: Does my hon. Friend agree that because GPs and dentists operate as private businesses and are not employed directly by the NHS, the difficulty is that individual dentists and GPs are doing their own thing? It is not as easy to pull levers to tackle such issues as it would be with doctors and nurses working in hospitals or local clinics run by the NHS.

Gillian Merron: I note that point; it is extremely useful to work with professional bodies. For example, British Dental Association guidelines say that dental practices should treat everyone the same, and that good cross-infection control applies to all of us. Our work with such bodies has been helpful, and we will continue it. The chief medical officer wrote to several royal medical colleges and faculties to highlight the role of all

health care professionals in offering HIV tests, but perhaps we could go further in getting them even more on board.

Advances in treatment may have turned HIV from a killer virus to a chronic illness, but we must maintain our vigilance, and do everything possible to reduce transmission. We must encourage safer sex among the general population, which is what our new campaign, "Sex: Worth Talking About", is all about. We must also tackle the stigma and discrimination surrounding HIV. That is vital if we want more people to come forward for testing and treatment.

I am proud to say in the Chamber that our record on HIV and AIDS over the past 12 years has made a difference, but I am deeply conscious that a lot remains to be done. I am keen to work with my hon. Friend, the all-party group and the entire sexual health community to move forward in the years ahead on something that affects us all.

11.30 am

Sitting suspended.

First Capital Connect

[JOAN WALLEY *in the Chair*]

2.30 pm

Joan Walley (in the Chair): Order. Before I call the hon. Member for St. Albans, let me say to hon. Members that it might be helpful if everybody could co-operate. I think that there might be a few people who will try to catch my eye, and I would like to call the Minister by quarter to 4.

Anne Main (St. Albans) (Con): Thank you, Ms Walley. It is a delight to serve under your chairmanship today in this important debate on our rail services.

In October last year—this will come as no surprise to anybody who has been watching the news—drivers on the First Capital Connect Thameslink route, which serves my constituency and those of many other hon. Members here today, began industrial action. A virtual ban on overtime and rest-day working was imposed due to a dispute over pay. Since then, that action has been causing intense disruption and frustration for hundreds of thousands of commuters who use the route.

In early November, the company informed me that it would be introducing a new timetable that offered only 50 per cent. of the services that usually ran on that busy commuter route. It was not exactly a formal notification. I rang the company one evening and said, "Excuse me, this situation is getting so bad that I need to talk about it." The reply was, "Don't worry. It's going to improve tomorrow and there will be a much more reliable service". I said, "Oh good. How is that going to occur?" and the reply was, "We have cut the train service in half and we can guarantee that that half will be delivered." At that point, I decided that a point desperately needed to be raised about the matter on the Floor of the House.

Mrs. Jacqui Lait (Beckenham) (Con): I am grateful to my hon. Friend because my constituents have exactly the same problems as the ones she describes, and I congratulate her on securing this important debate. However, my constituents have had not only that 50 per cent. cut, but on the Crystal Palace line, City workers cannot now get to the City without using another form of transport. Does my hon. Friend agree that the situation is outrageous? To say that there is a 50 per cent. service is to exaggerate just a little.

Anne Main: I am not aware of that particular incident, but I know that commuters in my constituency are experiencing the frustrations that my hon. Friend describes. I am sure the Minister will have plenty of time today to address all points that are raised about the whole route.

Mr. Andrew Pelling (Croydon, Central) (Ind): I am grateful to the hon. Lady for giving way as I know she wants to make progress. She has been leading the campaign not only in this debate but elsewhere, and she should be congratulated. Does she agree with my constituent, Colin Withey, and with the hon. Member for Sutton and Cheam (Mr. Burstow), that the franchise should be removed? A 50 per cent. reduction is absolutely appalling.

Anne Main: I will talk about whether the franchise should be removed or whether it should stay with the company later in my speech. I hope the hon. Gentleman will bear with me and I thank him for his warm congratulations.

[Anne Main]

The new timetable with the 50 per cent. reduction resulted, needless to say, in chaos. Many passengers at St. Albans and further down the line spent hours trying to get to and from their workplaces in central London. Trains often arrived late, or already full so that people could not get on them, or they were cancelled at a moment's notice. Platforms were changed at a moment's notice, meaning that people could not board a train. The situation only worsened last month, with adverse weather conditions causing some of the older trains to become frozen; motors and doors became inoperable and further cancellations occurred over a period of weeks due to the poor weather, as well as the problems with the drivers.

The original problem stemmed from the company's heavy reliance on staff good will to ensure that it could run its services. The drivers were not contracted for enough hours to run a full service, and their contracts did not include Sunday working. The model was bound to come to grief at some point.

Andrew Selous (South-West Bedfordshire) (Con): I am extremely grateful to my hon. Friend for giving way, and I offer my apologies that I cannot stay for the whole debate because I have a meeting on child poverty shortly.

My hon. Friend has put her finger on the nub of the question. Does she agree that it is up to the Department for Transport in future not to award franchises to companies that rely on good will for overtime to run a scheduled service on which our constituents rely to get to work?

Anne Main: I thank my hon. Friend for his valuable contribution and I will touch on that point later in my speech. I want to know how much Ministers and the Department were aware of that model, as it was bound to lead to failings.

Stephen Hammond (Wimbledon) (Con): Perhaps I can help my hon. Friend and my hon. Friend the Member for South-West Bedfordshire (Andrew Selous). It is not only the company that was relying on good will—the franchise model given by the Government specified that and allowed the company to do it. When the specification was written, there was an innate failure in the Government's franchising model.

Anne Main: My hon. Friend answers part of the question that I will put to the Under-Secretary of State for Transport later—he might like to agree on whether that was a good decision. I was unaware of it, and it is frankly shocking.

Mr. Paul Burstow (Sutton and Cheam) (LD): I congratulate the hon. Lady on securing the debate. I know that she does a lot of work on behalf of her constituents on the matter. On the franchising process, together with other hon. Members, I have tabled early-day motions to ask questions about termination of the franchise, as many of my constituents feel that the only option is to get a fresh start with a new provider. Ministers have been vague about how much longer they are prepared to tolerate the catastrophic failure of the service before they will terminate it. Is that a question that the Under-Secretary should answer today?

Anne Main: I thank the hon. Gentleman for that intervention and I shall certainly ask the Under-Secretary exactly what he is considering doing. I have heard some strong words from Lord Adonis in the other place about the ultimate sanction of stripping the franchise. I would like to know if those are empty words, and whether, if that were done, it would provide a better option for commuters in my constituency. I am not interested in punishing train companies. I am interested in commuters in my constituency having the service they have paid for and getting to work on time. Ultimately, that is what they want. They do not want bits and pieces of compensation or empty words, threats and promises. They want the commuter services that they have paid for and that First Capital Connect undertook to deliver. I will come to that in a moment, but the hon. Member for Sutton and Cheam (Mr. Burstow) is right. The Minister needs to discuss the matter in this forum so that people know what is going on.

The bad weather caused faults in trains that were already in need of work and replacement by newer units. I do not have time to add this issue to the debate, but the delivery of the newer units from Bombardier was subject to delays that were apparently due to the recession and the laying-off of workers. Four-car trains were operating when there should have been eight-car trains, which increased the problems along the route, and at some points, people were unable even to get on the trains.

Answers to my parliamentary questions have revealed that the Secretary of State for Transport knew about the action by drivers on the route as early as 26 October 2009. However, the news did not reach the public domain or Parliament. I was not informed about the change of timetable until my conversation that fateful evening of 11 November with the manager of First Capital Connect.

Between 26 October and 11 November, my constituents were thinking that the problems might have been due to swine flu or that there was some other reason why the drivers were unavailable to work. However, Ministers knew about it. I lodged an urgent question to the Under-Secretary and raised the issue of the First Capital Connect service in the House the next day, 12 November. It is rare for a Back Bencher to get an urgent question—I do not know whether the public are aware of that—and I am pleased that the Minister came before us. However, the response was that the Department was "monitoring the situation daily". I must say that watching the situation did not do any good. It was chaotic.

The Secretary of State for Transport, who has since been criticised for not intervening earlier, did not give a statement on the matter in another place until after my urgent question. Even then, he only repeated the answer that had been given by the Under-Secretary—needless to say, "looking" at the situation.

Alistair Burt (North-East Bedfordshire) (Con): I, too, offer an apology as I need to leave before the end of the debate. Before my hon. Friend leaves the incidents of 11 and 12 November, does she recall that on the Great Northern line there were no trains on the Sunday, so my constituents who wanted to attend Remembrance day services in London were unable to do so? Notwithstanding the fact that the trade union supported a yes vote on the ballot, is there not a joint responsibility during the drivers dispute? Drivers also played their part, and if

the service is to work in the future, unions and management must co-operate in the interests of the public to provide a better service.

Anne Main: I concur completely with those sentiments, and I want to touch on my hon. Friend's point. We are only too well aware that drivers unions have been pressing for full nationalisation. If we are to think of doing that, we must discuss what the possible reaction would be.

Kelvin Hopkins (Luton, North) (Lab): Does the hon. Lady accept that the state railway systems in continental Europe run much better than our system, and that fares are much cheaper, with lower public subsidy?

Anne Main: I thank the hon. Gentleman for that rather rosy view of life on the continent, but I must say that one of the few rail services that have been repatriated to state control has actually got worse. That is why I am nervous about even suggesting that Ministers get their hands on another rail service.

I wrote to the Under-Secretary on 16 November, after the statement, to urge him to do more than just "monitor" the situation and to ask him to meet the company urgently to discuss its apparent failure to meet its franchise obligations. On 26 November, at business questions, I requested a debate in the House of Commons from the Leader of the House to discuss the problems. In response to a parliamentary question, I was told that the Secretary of State met management in mid-November, but I have no idea what was said. If he has any recall of that meeting, I would quite like to hear about it today. The Under-Secretary did not agree to my request and no debate was granted. This is the first time that we have had a chance to debate the matter in the House.

The overwhelming impression was that the Government were unwilling to take action about the catastrophic delivery of services, which were deteriorating daily. On 9 December, I called a meeting with Mary Grant, the group rail manager at FirstGroup, and all hon. Members affected, so that our concerns about the ongoing problems could be discussed. At that meeting, I urged Mrs. Grant to act swiftly to implement a lasting resolution to the ongoing problems and, importantly, to compensate adequately all passengers affected.

However, commuters experienced even more extreme disruption over the Christmas period, which was very taxing for families, given all that was going on with the weather. Because of the deterioration in services during the period of poor weather and the apparent lack of progress on the reinstatement of a full timetable, I raised the issue again in the House of Commons on 11 January with the Minister of State, Department for Transport, who promised to look at ongoing problems. Looking, monitoring, watching and thinking seem to be all the Government have been doing on this matter. My constituents and thousands of others along the route had completely lost patience with First Capital Connect by that stage.

Mr. Pelling: The list of the many things that the hon. Lady has done shows that I was right to say at the beginning just how much she has been working on behalf of all of us. Does she think that if the Government decide no longer to be asleep at the wheel, an alternative approach might be for them to allow other franchises to provide other services? Perhaps there could be additional stops. The Gatwick express is often very empty on the southern part of the route that we are discussing. Perhaps it could be allowed to stop at East Croydon station. That might be a way of at least trying to put some additional competitive pressure on First Capital Connect.

Anne Main: The hon. Gentleman anticipates the later part of my speech. I thank him for his warm words. He is absolutely right. It does not have to be an either/or option. We can have alternative models, and I should like to raise that later.

I wrote again to the Under-Secretary on 11 January and asked him for a meeting

"as a matter of urgency"

to discuss the way forward. I have a copy of that letter with me. I am staggered to say that despite all the chaos, I still have not received a response nearly a month later, so despite the supposedly stiff words uttered to the media by Lord Adonis and harsh pronouncements in the Chamber, it appears that all that is only bluster. The reality is that precious little has been done to avoid the situation or even to deal with it. According to the Minister's own officials, his response to my letter is overdue according to the Department's guidelines, yet there is no sense of urgency.

I hope that the commuters who use this beleaguered service take on board the fact that the present Government did not even care enough to try to bring about a satisfactory and early resolution when I gave them numerous opportunities to do so. It appears that they were waiting for the train drivers to make up their minds.

Mr. Nicholas Soames (Mid-Sussex) (Con): I congratulate my hon. Friend on her vigorous and energetic campaign on behalf of all our constituents, which is much appreciated. My hon. Friend the Member for Arundel and South Downs (Nick Herbert) and I met the management of First Capital Connect on Monday to complain about this wholly unacceptable service, about which she is so eloquently expounding. Does she agree that one of the most important things is not just punctuality and all the rest of it, but the flow of information to the poor commuters who spend enormous sums of money trying to get from A to B and are then stranded without any information? In the age of the mobile telephone, that is unforgiveable. Will my hon. Friend add that grotesque lack of information to the litany of very effective charges she has laid against the company's door?

Anne Main: My hon. Friend is absolutely right. That litany of charges has come through my post box and those of other hon. Members. There has been a lack of communication. As I said, it was through a happenstance phone call that I found out on 11 November that the timetable was to be cut by 50 per cent. The Minister knew and he still cannot be bothered to communicate with me and my office, so I do not think that there is any better communication coming from the Government on the matter. My hon. Friend is right to say that passengers have been treated appallingly. I can only say that through the "Meet the Managers" sessions—I am having one in St. Albans on Friday—managers are becoming fully aware of how absolutely fed-up the travelling public are. I encourage residents in St. Albans and commuters to go along and give their 10 penn'orth because the managers certainly deserve to hear it.

[Anne Main]

I want the Minister to explain to me and my constituents why he had no sense of urgency about the matter. What did the Secretary of State agree with First Capital Connect at the meeting he held in November? Why did he not anticipate that the work to rule would cause enormous disruption to the travelling public, and why did he not insist that the message was delivered to commuters, so that they did not labour on, completely in the dark about why train services were so disrupted? When the franchise was agreed with First Capital Connect, were the Ministers aware that FCC was reliant on such a business model? It appears that they were, according to my hon. Friend the Member for Wimbledon (Stephen Hammond). Why did they agree to it?

Were Ministers not concerned that pay negotiations were coming to a head and that a similar pattern of disruption had been experienced by FirstGroup bus services in Aberdeen in July 2009, which meant that its bus services were massively affected by a reduced timetable and lack of reliability? Again, the chaos was due to drivers working to rule in a pay dispute. It was reasonable to conclude that that model might repeat itself in the coming months for the train services of my commuters. At that point, the Minister should have had urgent talks. Ten months of talks was our understanding. He should have had urgent talks to prevent that crash from happening for the train commuters as it happened with the bus services in Aberdeen.

On 13 January, 70 per cent. of drivers who were members of ASLEF voted in favour of accepting the company's pay offer. There have been siren calls about stripping the company of its franchise, including calls from the RMT to put this and all other train services back into public ownership. I intend to flesh out those arguments, but I am sure that other hon. Members will want to come in on them.

On 13 January, First Capital Connect announced that it intended to operate the full timetable on the Thameslink route from Monday 18 January. However, the "full timetable" included short-form trains, which had less passenger capacity than usual services. When I approached the company, I was told that they were due to end today, 3 February. However, today, there are short-form trains operating. I am now told that will cease by Friday. I can only hope that it is not another false dawn. I hope that the Minister will have had talks with First Capital Connect to see whether he could do anything to get Bombardier to deliver on time, because that is part of the problem.

We must not lose sight of the fact that this situation has been not only hugely disruptive, but costly.

Mr. Burstow: It is not just that trains have been delivered late; they are not delivering the service they are meant to deliver. I gather that at the moment, First Capital Connect trains, the 377s, are breaking down after every 6,000 miles, compared with Southern, which runs the same trains and seems to keep them running for 22,000 miles before they break down. Surely that is another example of how incompetent the company is.

Anne Main: I am not sure whether it is the incompetence of the company or the people building the trains. I am not an expert on technical matters. I am not sure whether it has something to do with the amount of maintenance or the time for which the trains are taken off the rails to be put into maintenance. I cannot comment on that, other than to say that it is yet another unacceptable situation.

The situation that we are discussing has been hugely disruptive and costly to many people in terms of hours wasted and opportunities lost. On 26 January—I am sorry, but there is a great list of things that I have asked the Minister that I do not have answers to—I asked the Minister what estimate he had made of the cost to commuters of the disruption. As he has not yet responded to that question, will he answer it today, please?

I also want to ask the Minister's opinion about the level of compensation being offered to my constituents, who pay large amounts to travel on such a poor service. Will he discuss that with management at First Capital Connect to ensure that all passengers are adequately compensated? Many passengers currently feel that what is on offer is not adequate compensation. It has been improved, after pressure, but it is still not much, relative to the huge amounts that people pay not to have a service or to have a service that, when they get on it, is so claustrophobically stuffed with other passengers that some people feel it is unsafe.

It has been three weeks since the pay deal was accepted and more than 100 days since the industrial action began, yet passengers are being offered compensation of only 5 per cent. or a maximum of two weeks' travel if they have a season ticket. If they buy daily tickets, they are being asked to provide proof of which particular train they caught on the day and the delays they suffered, when the company knows only too well that those delays have been crippling. If it has any doubts, it need only look at my postbag or one of the many websites and Facebook groups where passengers pass on their frustrations. First Capital Connect has agreed to pay regular travellers compensation worth 5 per cent. of the value of a season ticket or 10 free days of travel, but a first-class season ticket from St. Albans to London Bridge—a journey of about 40 minutes on a good day—costs more than £5,000 a year, and passengers were disrupted for much longer than the compensation package indicates.

Larry Heyman, partnership and integration manager at First Capital Connect, telephoned me this morning. I know that other hon. Members have been quickly sent a little missive about how much things have improved—and they have improved; things are not perfect, but they have improved. However, as the websites and correspondence show, passengers have yet to be convinced, short-form trains are still operating, some delays are still happening and, as my hon. Friend the Member for Mid-Sussex (Mr. Soames) pointed out, the communication about all this is still poor.

Short-forming trains should cease from next week. However, we have had 107 days of industrial action, which resulted in overcrowding and frustration. Should the Secretary of State consider stripping FCC of its franchise? The Minister acknowledged in a letter of 27 January that the work-to-rule was a force majeure event. Was there anything, other than that force majeure event, that the company did or did not do that rendered it in breach of the franchise? I would welcome the Minister's views.

The franchisee is obliged by the franchise to inform the Secretary of State about what steps it is taking to mitigate the effects of industrial action. At what point was the Secretary of State informed? At what point did the action become classified as force majeure? Will the Minister confirm that it was from the first notification of 26 October? Will he confirm what mitigating actions were agreed with FCC? Will he say whether the cold weather that affected services last month was considered a force majeure event?

The franchise agreement also obliges the franchisee to use and continue to use

"all reasonable endeavours to avert or prevent the occurrence of the relevant event and/or to mitigate and minimise the effects of such event".

Does the Minister think that the franchisee took reasonable action to prevent the strike and to minimise its effects, given that another part of its group had a similar situation with its bus services? Does he consider more than 100 days of disruption to be restoration

"as soon as reasonably practicable"?

Given the intense failings of First Capital Connect on more than one front, many constituents have called on me to join them in seeking the nationalisation of the franchise. Indeed, I understand that in the past few days First Capital Connect management have been summoned to see the Secretary of State. We are told that the Government could nationalise the company as early as April under a break clause that allows the Department for Transport to remove a company for poor performance after four years. An early-day motion has been tabled calling for the franchise to be nationalised, and 5,000 commuters have signed a petition calling for nationalisation. Public anger abounds on the internet, with 2,291 people having joined a Facebook protest page.

I am concerned that punishing FCC may well lead to something worse. I have no confidence that the Government will make a better job of it. In my dealings with them, they have shown a complete lack of urgency, and there is a poor level of communication.

Kelvin Hopkins: The hon. Lady talks about punishing First Capital Connect. Given all that she has said, it strikes me that the company is squeezing every last pound of profit that it can out of railway commuters and the Government in order to pay last year's £1 million salary for FirstGroup's chief executive and generate last year's £800 million profit. That is where the money has gone.

Anne Main: Perhaps the hon. Gentleman should talk to those of his colleagues who helped set the contract. I am not in government, and I was not privy to these franchise agreements. The company paid heavily for that franchise; the Government wanted their shilling. He must bear that in mind when throwing those figures at me. I did not agree the pay contracts, and I did not make the franchise agreements. They were agreed by the Minister's corner.

Mr. Oliver Heald (North-East Hertfordshire) (Con): As my hon. Friend knows, the Cambridge and Peterborough part of the line has not been quite so bad, but even there people have been telling me that they are thinking of moving home because they cannot rely on the service. Is it right for Ministers simply to brush things aside as if everything was the fault of First Capital Connect? Ministers wrote the contracts, or at least supervised them. Should they not also take the responsibility?

Anne Main: I agree with my hon. Friend. If the cold weather was a force majeure, which is allowable under the franchise agreement, and if the strike—or work-to-rule; call it what you like—was a force majeure, what is left that would allow the Minister to strip the franchise; or is it all simply bluster, words being uttered for the sake of the angry public? That is the nub of my argument. If poor communication can strip the franchise, I would say that the Government should look to themselves; it is no better for them.

No company has ever been stripped of a franchise for poor performance since the privatisation of the rail industry in the 1990s. Connex and National Express East Coast both surrendered their contracts, but that was for financial reasons rather than industrial action. First Capital Connect carries 200,000 commuters a day, a large number of whom are from my constituency. It is vital that we get the very best result for commuters. I am not convinced about the few recent examples of nationalisation; they do not give me any confidence that that is the answer. I would welcome the Minister's views on the matter. Lord Adonis may speak of stripping the franchise, but how can we be sure that anything else would be better, given that existing franchises have not improved?

The East Coast rail franchise, which is owned by the Department for Transport, began operations on 14 November 2009. There has been a deterioration in punctuality since the Government took it over. Although trains running on time averaged 89 per cent. for most of 2009, punctuality fell to 85.2 per cent. in the first four weeks of ownership by the state-owned franchise, which represents worse performance than First Capital Connect's. In the following four weeks, 13 December to 9 January, punctuality fell to 67.2 per cent.

Perhaps the Minister would compare that with First Capital Connect before the company starts lobbing bricks about losing its franchise. Although these figures cover only eight weeks, it is the same period during which we suffered disruptions on our train services. We must ensure that that does not happen again. Does the Minister honestly believe that if the franchise was stripped it would not happen again?

In answer to a parliamentary question on 21 January, the Minister stated that the First Capital Connect franchise can run until 31 March 2015, but that the Secretary of State may exercise an option to serve notice. The franchise also contains services that pass through St. Albans which had previously been allowed to stop at City station, to resume stopping there, allowing passengers to vote with their feet. *[Interruption.]* I am sorry, Ms Walley, but I have missed a page in my notes. However, it will make sense when I get there. Does the Minister believe that the events of the last 100 days indicate that the company should be stripped of the franchise?

One question asked by my constituents is why we cannot have competition on the line, a point raised by the hon. Member for Croydon, Central (Mr. Pelling), as it would allow commuters to choose which company they travelled with. Many have mentioned the possibility of using East Midland Trains, a company whose services

[Anne Main]

pass through St. Albans. It had previously been allowed to stop at City station; if it resumed stopping there, passengers could vote with their feet and use services provided by other companies if the usual services had failed.

I have no idea whether that is possible, but has the Minister considered other models? Will the Minister agree to examine other workable possibilities, if he believes that First Capital Connect should not have the franchise? I am unaware of exactly what discussions the Secretary of State has had about removing the franchise or the possibility of retendering. I hope that the Minister will update us today.

It is unclear whether the Government are better placed than the current franchisee to run a reliable train service, especially given the deterioration in services on East Coast trains. However, it is possible that another franchisee would be better placed to run these services. Will the Minister give us his thoughts on that matter? It is clear that the current franchisee has failed to deliver the service that my constituents have a right to expect.

If it is to be allowed to continue running these services, First Capital Connect must be held to account—held to the franchise agreement—and kept on a tight rein. Will the Minister give an undertaking to do that and give some indication of how he can make it happen? The company must demonstrate that it has put systems in place so that such disruptions will not be allowed to recur. The improvements in service that we have been promised since the company took over the franchise must be truly forthcoming. Will the Minister come to the House, within a month, to update us on whether he is convinced that FCC is the company to continue delivering commuter services and that it has in place robust measures to ensure that services are improved?

What is the Minister's view on the negotiated contracts with drivers? I am totally unaware of what contracts are being negotiated with the new drivers being taken on by the company. If the situation is similar, the problems will happen all over again with the next round of pay bargaining—they will down tools and work to rule. Has the Minister had any discussions with First Capital Connect and other franchises to say that such actions should not be allowed in future franchises and should be stopped as soon as possible?

I continue to meet the management of First Capital Connect to discuss their part in this sorry saga, and to find out what measures have been put in place to ensure that we do not find ourselves in the same position again. Indeed, as I said, FCC management are coming to St. Albans on Friday to face my commuters. Despite the improvements of recent days, they are angry about the chaos that they have suffered and the lack of compensation. It will take a long time before their trust is won back.

2.58 pm

Kelvin Hopkins (Luton, North) (Lab): It is a pleasure to speak in this debate. I congratulate the hon. Member for St. Albans (Anne Main) on securing it and on speaking so trenchantly. There may be shades of difference between our views on this matter, but we are both concerned about our constituents—and not only them; many thousands travel every day from Luton to London with First Capital Connect, and so do I. I know that other Members travel from time to time on FCC, but I use it every day unless there are no FCC trains, in which case I use East Midlands. I intimately know the line and how it has performed over the past 41 years, during which time I have commuted daily.

I am a lover of the railways, and a passionate believer in them. Given that we live in an era of global warming and want to prevent climate change, they are the transport mode of the future. I could regale hon. Members with dozens of stories—some of them amusing—about my own experiences on First Capital Connect, but I shall avoid that because it would take too long. None the less, I shall relate one short story.

One night, I was travelling home late and went for the 11.15 East Midlands train. The first stop was Luton and the destination was Nottingham. I thought that there would be no problem with the East Midlands service, but when I got to the station, I had to wait on the platform for a long time, way after the train was due to leave. Then we were told that the driver was not available. He did not have a problem with driving his train, but he could not get to work because he was relying on First Capital Connect to get him from his home to St. Pancras. There was no train, so he could not get to work and drive the East Midlands train, so even then there was a problem. I have many long stories about my experiences with the service. Even in recent times, day after day after day, I have had problems. Trains are indicated on the board and then suddenly disappear, for example.

Anne Main: I am sure what the hon. Gentleman describes is rampant across the whole service. Does he share my disappointment in the Government's lack of urgency over this matter?

Kelvin Hopkins: I put down an early-day motion on this matter only yesterday. I want the Government to take away the franchise and reintegrate all the train operating franchises into one rail network again. We might even call it British Rail.

Anne Main: I note the hon. Gentleman's union leanings, which I find very interesting, but will he condemn the Government's lack of urgency? The early-day motion was tabled yesterday and the Government have had since October—and perhaps even earlier—to do something about the problem. Does he agree that this has been a woeful performance by the Government, who may well be the ones who will be nationalising what he wants?

Kelvin Hopkins: I am sure that the Government would be rather worried if I started to speak on their behalf. I am sure that my hon. Friend the Minister will speak for himself in time. Clearly, the logical answer is to take back the franchise, bring it in house and start to run it as a publicly run, publicly accountable public service. That is how railways operate on the continent of Europe; the track and train are integrated into one system. I will continue to argue that case until such time as common sense prevails and we get an integrated railway system in the future.

I have talked about my own experiences, but there are three problems with the system of separating track and train. It is almost as if there are three parallel universes.

First, there are the train operations run from West Hampstead and controlled by Network Rail. Secondly, there is an entirely separate universe called train indicators, which bear no relation whatever to what is happening in the real world. It might say, "11.14: on time" but by 11.25 there is still no train. All of a sudden, the indicator says, "Train 1 terminates here" but there is still no train. Then the second train is half an hour later, so I miss Question Time in Parliament. That happens constantly.

There is then the separate universe of the automated announcements that bear no relation to the trains or the indicators, and seem to have a life of their own. Just occasionally, a real human being makes an announcement at the last minute, but, by and large, the announcements say one thing, the indicators say another and the train operations are in another universe again. The system is complete nonsense because of the fragmentation of the railway industry following privatisation. The idea is that we run a competitive arrangement in which one part of the system has to pay fines to another if there is a failure in the service. In other words, one part punishes another.

Moreover, we have a delay attribution system. If a First Capital Connect train is late there may be a delay in its connection with an East Midlands train, which then might have a problem connecting with a cross-country route in, say, Sheffield, and people will miss their connections. If the fault is traced back to First Capital Connect, it can be fined. So First Capital Connect goes out of its way to ensure that it is not blamed, because it does not want to be fined, but someone has to pay somewhere.

Again, if Network Rail has a problem, it will not want to pay the train operating company, so it goes out of its way not to concede any guilt in things that go wrong. All these independent operating elements of our railway system avoid speaking to each other because they do not want to be blamed or be forced to pay fines to each other. The whole system is a complete nonsense. If it was run as one system by a railway industry, we would not have this problem.

It is all because of a mad economic theory, which was explained to me on one occasion by a supposed transport economist—he was quite a nice man. He said the idea was that all the different components of the industry would compete in a market. Market forces would operate and we would have lower costs, lower fares and a better service, because that is what competition does, does it not? In fact, we now have the highest fares in Europe, the least efficient railway network and the highest level of costs, particularly for railway maintenance and laying new track. The opposite is true. I pointed that out to my friend the transport economist. I said, "Your theory does not work because we have had the opposite on every occasion." He said, "Yes, I am afraid that the theory doesn't work."

We have ruined a major economy's railway system by basing it on a barking mad theory that does not work. I suggest that the way forward is to take back all the franchises, put them in house, build an integrated railway system again and have a sensible railway, as they do in continental Europe. Costs and fares would be reduced, and we would have a much more reliable service.

Anne Main: The hon. Gentleman keeps harping on about the continent of Europe. Perhaps he might cast his mind back to the rail services that we had in the 1970s and 1980s. That is a better comparison. He could even look at the rail services that have been repatriated and are operating now. Let us forget elsewhere and talk about here, because my commuters care about the services and not what is happening in France.

Kelvin Hopkins: I am very happy to talk about British Rail. The former rail regulator, Tom Winsor, said in this building, in my hearing, that "when BR handed over the railways to the privateers, they were handed over" in good order." He is not a dyed in the wool socialist like me; he is an objective observer who was a regulator. He also said that British Rail "worked miracles on a pittance". It was desperately underfunded, but it still managed to run a railway.

A report was produced by the organisation Catalyst, of which I was an active member. It discovered—amazingly—that the highest level of productivity for any railway in Europe happened under BR. BR had to be efficient because it had to work miracles on a pittance and because of the way in which it operated. The problem was that we did not invest enough in the railways and they became backward. We had Government after Government after Government who thought that the railways were dying, were in the past and riddled with trade unions; they did not like the railways. Even so, Mrs. Thatcher refused to privatise the railways. It was John Major who privatised them because he wanted to demonstrate his right wing machismo and that he was harder than Maggie.

Stephen Hammond: This is the second debate in two days in which I have been fortunate enough to listen to the hon. Gentleman extolling the virtues of a past that not all of us recognise. If that is his view of the past, why has there been such a rise in ridership and passengers on the railways post-privatisation and why was patronage declining when it was nationalised?

Kelvin Hopkins: We have seen a rapid growth in the economy with vast numbers of new jobs, particularly in the south-east of England. The roads are now so crowded that people are forced on to the railways because there is no serious alternative. None the less, people want to travel by rail, but they want decent fares. Public subsidy has multiplied three times since privatisation, so the amount of public money going into the railway system, as well as the private money from fares, has massively increased in that time.

However, people have demonstrated that they believe in railways, which has come as a shock to many of our leaders and particularly to the Department for Transport. People want to travel on the railways, but they want a decent, reliable service, they want to pay acceptable fares and, if they are taxpayers, they want to minimise the subsidy.

Nadine Dorries (Mid-Bedfordshire) (Con): I have the hugest respect for the hon. Gentleman, and we frequently travelled home together on the train at night until I was forced into my car by the recent debacle over First Capital Connect. He paints a lovely picture, and we talked about these issues often on the train journey home, but his proposal would take such huge reorganisation and such capital expenditure that it is unrealistic. Our commuters want to know what can be done quickly—in the short term—to make things better, and nationalising the national railway will not answer their problems.

Kelvin Hopkins: I much enjoyed my train journeys and conversations with the hon. Lady, although we did not talk about railways at the time. Nationalising the railways would save vast amounts of public and private money; all the money that is being shovelled into the maintenance and construction side and the train-operating side, and the £1 million profit that goes to the chief executive, would become part of a nationalised system. There would not be those operations. British Rail ran cash-limited operations, and it saved vast sums of public money.

I would like to speak for much longer, but I have taken more than my time, and many other hon. Members want to speak. I ask my hon. Friend the Minister seriously to consider taking not only First Capital Connect's franchise, but all the franchises back into the public sector to recreate a national railway system that we can all be proud of and which we can all use every day.

Several hon. Members *rose—*

Joan Walley (in the Chair): Order. A few Members still wish to catch my eye, so I remind everyone to be co-operative.

3.11 pm

Mr. James Clappison (Hertsmere) (Con): It is a pleasure to follow the hon. Member for Luton, North (Kelvin Hopkins), who is a regular commuter on the line. I will not follow him down every branch line or get involved in the debate about nationalisation and privatisation, but I recognise much of what he said about the reliability of the First Capital Connect service.

I warmly congratulate my hon. Friend the Member for St. Albans (Anne Main) on her stalwart work on behalf of St. Albans commuters and on her general defence of the interests of the people of St. Albans. On this issue, in particular, she has done a tremendous amount of work, not least in securing the debate, and she deserves all our congratulations. To save time, I shall speak about First Capital Connect as it affects my constituents. I endorse all my hon. Friend's comments, which chime with the experience of the thousands of my constituents who want answers to the same questions.

First Capital Connect serves two lines through my constituency. One is the Great Northern line, which runs through Potters Bar, and my hon. Friend the Member for Mid-Bedfordshire (Nadine Dorries) referred to it. My constituents and others on the line were saddened when they lost the service on Remembrance Sunday, and I know that veterans wanted to use the line on that day.

However, it is my constituents on the other line operated by First Capital Connect—the former Thameslink line—who have borne the brunt of the disruption since 10 November. The line serves the stations at Radlett and at Elstree and Borehamwood in my constituency. Those stations are at the southern end of the line, so commuters there are used to trains already being packed when they arrive. It was therefore a tremendous blow when the service was reduced overnight on 10 November from a 100 per cent. service to a 50 per cent. service. Like them, I know from my experience as a regular commuter—I recognise other regular commuters here today, including the hon. Member for Luton, North—that even when a so-called 100 per cent. service operates, the trains are very overcrowded, particularly at peak times.

Nadine Dorries: Will my hon. Friend give way?

Mr. Clappison: Yes, of course I will give way to my hon. Friend, whom I recognise as another veteran of the Thameslink line.

Nadine Dorries: Moments before we came into the debate, we received an almost self-congratulatory e-mail from First Capital Connect, which announced that there were only 135 cancellations in the week from 25 to 31 January. It is almost as if those cancellations were the only issue, but as my hon. Friend says, they force more people on to fewer trains, making people late and making their journeys incredibly uncomfortable.

Mr. Clappison: My hon. Friend is absolutely right. She, too, has defended her constituents' interests and she is right that our constituents and commuters should not have to put up with low standards, overcrowding, cancelled trains, trains that are not in a particularly good condition and a service that is generally unreliable.

What is more to the point—the hon. Member for Luton, North was absolutely correct about this, as I can testify from my own experience—the trains were unreliable even when a 50 per cent. service was running and the trains were overcrowded. There were still cancellations. A commuter standing on the platform at St. Pancras station, St. Albans station or Radlett station when a train arrived had the feeling that a miracle had occurred. Many of my constituents were much less fortunate than me and would often simply be unable to get on a train at all at Radlett or Borehamwood.

As my hon. Friend the Member for St. Albans rightly said, our constituents pay substantial amounts for this service, and there are no alternative lines and no, or only inferior, alternative modes of transport. Like my hon. Friend, my constituents are aware that the model operated by the company behind the service is not sustainable and is likely to result in the consequences that I have described. They are absolutely fed up with their nightmare commuting experience, the overcrowded trains, the cancellations and the lack of reliability. Every day, commuting is a nightmare for them.

My constituents are therefore looking for answers from the debate. As my hon. Friend said, they would like to see a more generous compensation scheme than the one that has been put in place. I accept that the current scheme has been improved, but my constituents need to see further improvements. They also want to hear that they will receive a much-improved, reliable service that is commensurate with the considerable amounts that they pay.

I am grateful to Mr. Neal Lawson of First Capital Connect for accepting my invitation to come to Borehamwood railway station next Wednesday evening, and I am sure that my constituents will have many questions to put to him. I am also grateful for the opportunity to meet Mary Grant beforehand. However, the service as it stands is not acceptable, and the company must face up to that.

My constituents would like to know a little more from Ministers, and I certainly echo the questions that my hon. Friend raised. As the people in charge of the franchises, Ministers have responsibility for these issues. I therefore have some specific questions for the Minister, and I would be grateful if he could reply to them, because my constituents want some answers.

When exactly did Ministers learn that there would be problems on the line? When did they know, for example, that there would be a 50 per cent. reduction in the service? When they did know, what did they do about it? What steps did they take subsequently? Given their current responsibilities, what is their attitude to the service going forward? What improvements do they expect to see?

One improvement, in particular, that my constituents want to see, and which has been mentioned today, is the introduction of sufficiently long trains—eight-carriage trains, rather than four-carriage trains. It is not acceptable for a service with a so-called 100 per cent. timetable to operate with short-form trains, because that continues the problem of overcrowding.

My constituents want to know what improvements Ministers expect in the service and what they are doing to bring about those improvements. They want to know what Ministers are doing to make the quality of people's lives better, to make their commute less of a nightmare and to give them value for money. My constituents have had a nightmare, which is quite unacceptable, and Ministers must face up to their share of the responsibility for what has happened.

3.18 pm

Patrick Hall (Bedford) (Lab): I wish to make a short contribution to the debate, which was secured by the hon. Member for St. Albans (Anne Main). Yesterday, I was pleased to initiate an Adjournment debate in this Chamber about the Thameslink programme and I made a number of comments about the considerable inconvenience suffered by many of my constituents day after day between the middle of November and the end of January.

Now, however, I want to concentrate on four issues: driver numbers, communications, compensation and the future of the franchise. On driver numbers, the Bedford depot is the biggest in the FCC franchise, and I am informed by FCC management and ASLEF that there should be 186 mainline drivers there. A few weeks ago, there were 179 and recruitment was already under way to address the shortfall. However, although the establishment is designed to cover the full timetable, holidays and normal sickness, it does not accommodate training, which is an integral feature of railway operations on the Thameslink network, and therefore of FCC's business.

Driver training is required for the operation of the Bedford-Sevenoaks franchise that FCC took over, and the 23 new class 377 trains, which have now at last been delivered, and it is also required to cover changes in track, signalling and so on, brought about by the Thameslink programme's engineering works. Because of that considerable training requirement, ASLEF agreed that its members would work rest days to enable the overall package to be met, but working rest days is voluntary. While there is good will and co-operation, everything is fine, but in the light of what has happened in the past two and a half months, which has been an awful experience for so many thousands of people, it is clear that the voluntary arrangement is vulnerable. There is too much at stake for things to be left as they are. Therefore, there is an urgent need to review the overall number of drivers, as well as other working arrangements.

Both management and unions are fully signed up to the Thameslink programme, and all the improvements in capacity and service for the passenger that it will bring about. Therefore, a more secure means of maintaining normal train operation is needed, as the engineering and other works unfold. Given the understandable lack of public confidence in FCC at the moment, both the company and the unions should look to inform the public about how driver numbers and working arrangements will provide a robust and reliable service in the years ahead. It is also the duty of the Department for Transport to ensure that that is done, if necessary as a condition of franchise.

I want to touch quickly on communications, to passengers at stations and to FCC staff, who can in turn inform passengers and answer questions. Communication has been a disaster in the past several weeks. I am reliably informed that the current passenger information system is a manual one. It is user-unfriendly and it does not function in real time. It is okay if nothing goes wrong on the railway, but the minute something happens it is completely inadequate. It just cannot cope and is now being demonstrated to be, to put it politely, a pretty useless system. FCC has recently agreed to spend money on improving it—a process that will, I understand, take another 40 weeks.

However, there are other, industry-wide issues about communication with passengers. I understand that the Department for Transport has taken the initiative, together with Network Rail and train operators, to address that. I raised that yesterday with my hon. Friend the Minister, and I look forward to receiving his response, if not today, certainly in writing, on what is being planned—not just on Thameslink, but nationally—and when changes will happen.

On the package of compensation to passengers, I have received some e-mails from constituents complaining about the inadequacy of the offer. However, FCC responded very recently to concerns that had been widely expressed about its operations as a whole, as well as the compensation, and it has boosted the offer, as other hon. Members have mentioned. Of course, it is impossible to please everyone on such issues, but now some people who know about the latest improvements have told me that they consider the discount to be generous. That is not my word, but theirs. I understand that the system for applying for compensation has been discussed in detail with the Bedford Commuters Association and the Association of Public Transport Users and has been adjusted accordingly. We shall see how that unfolds.

Finally, I note the calls for FCC to have its franchise terminated, and it is a perfectly legitimate issue to raise, given the scale of the disruption and public dissatisfaction. However, I have come to the conclusion, partly as a result of discussions with FCC management, but also after discussions with ASLEF and the Bedford Commuters Association—and after thinking about the matter myself—that such a measure now would not solve the problem, and would introduce uncertainty when we need recovery of the service. In my view, FCC management has got the message.

John McDonnell (Hayes and Harlington) (Lab): I accept the point that my hon. Friend makes. I should prefer the franchise to be withdrawn and the service to be brought back into public ownership, but there is a

[John McDonnell]

middle route, which the Government took with First Great Western: to issue a remedial plan, which would be monitored by the Minister directly, almost on a weekly basis, to ensure that performance was being improved and set to target.

Patrick Hall: That is a very sensible suggestion, and I hope that the Minister will respond accordingly, perhaps to confirm that that will happen.

On public ownership, I support public ownership of the entire network. I am not convinced that using the opportunity of the failure of the past two and a half months is the way to approach the issue. The Government should present measures for the renationalisation of the entire system. I think that I shall wait a long time for that, but it would be a better way to go about it than a piecemeal approach.

Despite what people have gone through in the past two and a half months, the time for anger is over. We need to move into a more measured process of delivering for the passenger. Therefore, FCC must address the serious issues that I, and others, have raised, and demonstrate to the Department for Transport and the public that it is on top of the challenge.

Joan Walley (in the Chair): I ask the hon. Member for Mid-Bedfordshire (Nadine Dorries) to make her remarks brief, so that we can have time for the winding-up speeches and the Minister's reply.

3.26 pm

Nadine Dorries (Mid-Bedfordshire) (Con): I shall be brief. I congratulate my hon. Friend the Member for St. Albans (Anne Main) on securing the debate. Given the energy and assiduousness with which she has represented her constituents and dealt with the issue, I cannot but point out that if the Government and the Minister had been half as energetic and attentive, and if there had been a little more pressure on First Capital Connect, some of the problems might have abated a little sooner.

The e-mail that I mentioned in an intervention, which referred to 135 cancellations in the last week in January, included a note stating:

"This is the best ...performance...since May 2009."

That highlights the poor service that not only has been provided on the line in the past few months but to which we are repeatedly subjected. The past few months have been bad, but personally the past five years have not been particularly good. The result may have been a very unsatisfactory situation, but for some of us that has been going on for some time.

I want to name-check Larry Heyman, the customer services manager, who has been between a rock and a hard place, and who has done a fantastic job in trying to communicate with as many people as possible about what was happening. However, communication was, of course, the main problem. People in my constituency would wait for a train for an hour, on the platform where they had been told it would arrive; then, as it pulled into the station, the platform announcement would change, giving them insufficient time to get to the other platform, and the train would go. It is hard to put oneself in another person's position, but if someone who is late for work and in trouble with their managers and bosses has been standing for an hour on a freezing cold platform, and a platform change is suddenly made without notification, that person will be pretty angry.

That is something that I want to communicate: how angry my constituents have been. My e-mail account has been full. I have been given information via Twitter, e-mail and blogs, on the platform, and in letters. People have been furious. I have heard of people unable to complete training courses, and others who have been threatened by their managers that they would lose their jobs if they continued to be late. Those people have no other way to get to their employment.

The human heartache that was suffered because of how First Capital Connect behaved will not be recompensed by a mere 5 per cent. of the price of a season ticket. That will not give people back their jobs or save their face in front of their employers. It will not put right what they have been through. It will just give them a small amount of financial compensation. That, again, highlights the fact that the Government had no sense of urgency about how the catastrophe affected people's daily lives. It is a shame on the Government that they did not act more quickly—that they did not find a way to bring in drivers from other providers or other parts of the country, and do something to break the three-month deadlock.

I know that I need to be brief, Ms Walley, so I will make a final point. Regarding the financial punishment, or the loss of the franchise, whatever happens needs to happen not only from a need to punish FCC for what has gone on but as a deterrent across the country to any other rail providers that might think, even for one moment, that they can get away with treating their commuters as FCC treated our constituents. Every rail provider out there needs to know that, if that is how they treat their commuters, this is what will happen. Therefore, something very severe needs to happen to FCC. I do not know what form that action will take, but it needs to happen soon.

3.30 pm

Tom Brake (Carshalton and Wallington) (LD): I want to start by congratulating the hon. Member for St. Albans (Anne Main) on securing this debate. The issue is clearly of enormous concern to her constituents and I suspect that it is also enormously important to the constituents of all the Members of Parliament who are here today, including me, although I am more of a Southern user than a First Capital Connect user.

All Members who are here today are very familiar with the history of this disaster, or debacle, which began with the issue of driver training and the voluntary arrangement that was apparently in place to provide cover. Shortly afterwards, that was followed by the bad weather, which had a serious effect on FCC and on all the other train operating companies.

FCC has been very unfortunate in that, as my hon. Friend the Member for Sutton and Cheam (Mr. Burstow), who is no longer in his place, said, it has the 377 rolling stock. That stock has a very poor record, with only 6,000 miles between each breakdown. In that respect, I wonder if FCC was sold a pup, because that is a very poor reliability record. Of course, FCC then had the 319 fleet, which was very badly affected by the snow,

which is, as it were, the Eurostar defence when it comes to cancelling trains, as it put many Eurostar trains out of operation.

It was those two factors—first, the issue of drivers and the voluntary arrangement to deal with that issue, and secondly, the disastrous performance during the snow—that prompted my hon. Friend the Member for Sutton and Cheam to table early-day motion 623, which I supported him in. That called for:

"Termination of rail franchise of First Capital Connect".

He tabled that early-day motion because he and many other commuters believe that FCC has gone beyond the point of no return in relation to providing this service. That early-day motion:

"calls on the Secretary of State for Transport to serve immediate notice to terminate the franchise agreement with First Capital Connect and to offer the franchise to a more capable organisation."

In my view, that "more capable organisation" could be either another train operating company, if one is interested, or alternatively the state could run the service, to provide a comparator with the private sector, to enable us to see which of the two sectors can deliver rail services most cost-effectively.

Ms Walley, I know that you will not allow me to stray too much beyond the subject of this debate, particularly given the time that I have available, but Members may have been following what has happened with Tube Lines, which runs the tube services, and the disaster that is about to occur in terms of the cost of the services that it is providing. I believe that Transport for London could provide those services much more effectively, much more efficiently and at a lower cost.

The experience that commuters have had on FCC is reflected in my inbox. All Members here today will have had similar messages from constituents. For example, I received the following Facebook message:

"They hike our tickets up, and then give us an appalling service. It is an utter disgrace—either they hire and retain enough train drivers or they hand the franchise over."

We hope that that issue of drivers has now been addressed. However, when the Minister answers the very long list of questions that have been put in this debate—I will add a few to it myself—he may want to confirm whether he thinks that FCC is now, roughly speaking, dependent to the same extent as the other train operating companies on drivers being willing to work at the weekends, for instance. Alternatively, does he believe that FCC is still in a position where it is more vulnerable than those other companies?

I received another complaint about FCC by e-mail:

"Having lived in Sutton for the past 5 years"—

so, these problems have not just happened in the past six months—

"I have had the misfortune of having to travel on the above route...south London is not best served by public transport ..I am sick and tired of the appalling service of FCC."

Importantly, as other Members have already mentioned, the issue of dealing with employers is raised:

"My employers are getting fed up with explanations of 'late/ cancelled trains'."

The e-mail goes on to talk about the issue of compensation and how FCC had offered:

"wild and wonderful suggestions of how I should rearrange my journey in order that they are not eligible to pay me £2."

That issue of compensation is one that FCC could do a lot more to simplify and make straightforward. In other debates, other Members have discussed other methods of compensation. In Berlin, for example, there was an issue with the train service and it was resolved simply by extending everyone's ticket by a month. That was very straightforward and it required no action on the part of commuters.

Kelvin Hopkins: The hon. Gentleman mentioned Berlin. Two years ago, I was with the Rail Freight Group in Berlin and I talked to the head of German railways. He was railing against the possibility that German railways could be privatised, on the basis of the British experience of privatisation, because it would be a total disaster.

Tom Brake: I thank the hon. Gentleman for his intervention. I think that he has made his position on this issue very clear.

I hope that FCC has learned the lessons from these problems, although I am a little worried about a statement by Mary Grant of FCC. She was asked about the lessons that had been learned and she stated, "You don't plan for what you expect to happen, you plan for what you don't expect to happen." Any business makes contingency arrangements so that it has a fall-back position when what it plans for does not happen.

The communications system is another issue. Due diligence would have highlighted to the company a number of years ago that it could not cope with a significant weather incident. It should have made its investment plans earlier.

Finally, I have a couple of questions for the Minister. First, in a debate on 28 January, the Minister of State, Department for Transport, the right hon. Member for Tooting (Mr. Khan) said:

"My noble friend the Secretary of State and I are considering all options open to the Government to require radical improvements."—[*Official Report*, 28 January 2010; Vol. 504, c. 928.]

At the end of this debate, we need to know what that means, the time scale involved and what options are being considered. Do they include the possibility of curtailing the franchise by 2012? We also need to know if the remedial plan option, for example, is being considered. Finally, if the Government are considering withdrawing the franchise from FCC, what are the trigger points that would initiate that process?

To conclude, I will quote another FCC commuter:

"I do not think that First Capital Connect should be allowed to continue to hold their franchise as their service has never been reliable and the trains are in poor condition."

At the end of this debate, I hope that the Minister will tell us whether he agrees with that commuter and, if he does not agree, what does he propose doing as an alternative to removing the franchise from FCC?

3.37 pm

Stephen Hammond (Wimbledon) (Con): It is a great pleasure to contribute to this debate today, as it was to contribute to a debate on rail in Westminster Hall yesterday, because I have a dual role in relation to rail; I am both a frustrated constituency MP and the shadow Minister with responsibility for my party in this area.

[Stephen Hammond]

A number of my colleagues have eloquently described a number of problems that they have experienced with First Capital Connect. So far, most of them have come from the northern end of the FCC lines, but a number of the commuters on the Wimbledon loop have experienced exactly the same problems with the poor service from November onwards and indeed with the total shutdown of the service due to snow.

Therefore, I want to congratulate my hon. Friend the Member for St. Albans (Anne Main) on securing this very timely debate. The number of Members who have made time today to make either speeches or interventions in this debate is a tribute to her. That is a sign of how important this issue is to our constituents. It is to her credit that she has been such a consistent defender of her constituents.

We have had some very thoughtful speeches and interventions. I want to pick up on the point that was made earlier, by my hon. Friend the Member for Mid-Sussex (Mr. Soames) in an intervention and by my hon. Friend the Member for Mid-Bedfordshire (Nadine Dorries) in her contribution to the debate, about the poor information that was being provided by FCC. FCC should seek to address that immediately. It can be rectified easily. It is a differentiating factor between its service and the services that are provided elsewhere.

My hon. Friend the Member for Mid-Bedfordshire and my hon. Friend the Member for Hertsmere (Mr. Clappison) both made the point that it is all very well for FCC to offer some compensation, but we are talking about the inconvenience suffered by commuters and the need to get to a service that is regular and reliable, which our constituents have a right to expect. That is why this has been such an important debate.

Several hon. Members have said that today they received e-mails from First Capital Connect stating that the daily public performance measurement has dropped below 90 per cent. only once since 18 January. However, we are here to discuss the unacceptable standard over the past few months, not the fact that FCC has returned to an almost acceptable one.

Whichever way we look at it, there are three protagonists in this sorry debacle, but it is the travelling public who have been forced to live at the will and whim of the incidents. Although the drivers' actions were not technically a strike, it is hard to believe that they were not motivated by the pay talks under way, and passengers became the victims of irresponsible game-playing. The walk-outs on previously rostered agreements hurt the travelling public.

The question for many people—I think that the Minister will want to answer this—is whether it is responsible to let franchises, knowing that those franchises rely on the rostering of overtime and that there is all too often no provision in the franchise to cover Sundays. That is certainly true of FCC, and it is true of others.

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I assure the hon. Gentleman that the franchises are let on the basis that the Government expect the output specified in the franchise to be delivered by whatever means, not on the basis of what rostering might be proposed by the franchisee.

Stephen Hammond: The Minister is admitting to everybody that he accepts that the Government are prepared to let franchises without full coverage of driver services. I was somewhat surprised when he confirmed to me that the majority of train operating companies rely on rest days and overtime working to deliver not exceptional services but normal services.

Chris Mole: The hon. Gentleman said that he believes that a majority of train companies rely on rest day rostering. How many train companies out of the total number do so?

Stephen Hammond: If the Minister cares to write to me again to clarify his letter, I will be able to answer that question. It was his own letter that told me that it was a majority of companies. If he wishes to clarify the letter, I will be delighted to receive that clarification.

Understandably, there has been clamour for First Capital Connect to be stripped of its franchise. The hon. Member for Carshalton and Wallington (Tom Brake) started to get to the nub of the matter. Stripping a franchise might be possible if the franchisee has broken its franchise arrangements. Will the Minister tell us whether FCC, even under the revised timetable, has come close to incurring performance improvement plans, breach or default? If it had not agreed the revised timetable, would its lack of performance have led to such measures? There are important questions about the performance of the franchise.

The other thing that a lot of our constituents rightly want to know is why they face a poorer service even though the problems that they have experienced have not shown up as particularly bad performance in FCC's initial numbers, due to force majeure and the revised timetable. Will the Minister indicate exactly what criteria he uses for force majeure and what provisions allow a TOC to introduce a revised timetable? Although events outside the company's control were involved, making the necessity of such measures understandable, surely the point is that although the revised timetable is in place, our constituents are not getting the service that they expect and should therefore be entitled to compensation anyway. Will he address that point? What consideration have the Government given it?

I am conscious of the time, and I know that Ms Walley wants to call the Minister at a quarter to 4, but I have a couple of questions about the First Capital Connect fleet. Yesterday I asked the Minister some detailed questions about the First Thameslink fleet and he kindly agreed to write to me, but today I have what I hope are some slightly easier questions.

It is clear that First Capital Connect has operated under a considerable burden, partly because of delays in the delivery of rolling stock. Hon. Members have rightly described some of the rolling stock cascaded to FCC as being of lower maintenance provision than previously. Does the Minister accept that the cascade of poorer rolling stock has played a huge part? If the Government had met their side of the bargain and delivered to First Capital Connect 32 non-defective trains, as opposed to the 32 that they actually delivered, what consequences do they believe that would have had during the bad weather?

I am conscious of the time, as I know that the Minister will want to respond in depth, but it is a great credit to my hon. Friend the Member for St. Albans

that she secured this debate and allowed many of us to speak on behalf of our constituents, express concerns to the Minister and understand what remedies the Government intend to take.

3.46 pm

The Parliamentary Under-Secretary of State for Transport (Chris Mole): I, too, congratulate the hon. Member for St. Albans (Anne Main) on securing this debate, which I know is of great importance to her constituents, and indeed to many thousands of other rail users across the south-east affected by the severe disruption to First Capital Connect Thameslink services over the past few months.

The hon. Lady mentioned two items submitted to me. On the first item, my office is not aware of the letter of 11 January to which she referred; it appears not to have arrived. On the parliamentary question, I believe that I signed the response this morning.

Anne Main: I thank the Minister for that. I have just skimmed a copy of the letter for the purposes of *Hansard*. Also, my staff chased up the matter with his office two days ago, and were given an acknowledgement that the response was late in coming.

Chris Mole: At times the service has been atrocious, involving delays, cancellations and poor customer care. Passengers have been let down badly—particularly on the Thameslink route, but also, as hon. Members have said, on the Great Northern route—and it is easy to see why so many are angry and frustrated. They deserve better. I want to make it clear that unless things improve radically, the Government will take the necessary robust and rapid steps to ensure that passengers receive the standard of service that they deserve.

The problems at First Capital Connect started in the autumn. As the hon. Lady will be aware, some train operating companies rely on overtime and rest day working to deliver their train services, and First Capital Connect is no different. The current difficulties began when drivers chose not to undertake overtime and rest day working in response to a two-year pay award deal offered by the operator. Such concerted unofficial action by the drivers was highly regrettable, given that talks with unions were ongoing. At a challenging time for the economy, the pay award offered was similar to that proposed by another rail operator—and, indeed, was better than pay deals in some other industries in the UK where workers are accepting zero growth or even pay reductions to secure their longer-term employment future.

As part of the franchise agreement, the franchisee is tasked with using all reasonable endeavours to keep services running and minimise disruption to passengers when rail services are disrupted by staff action. In the first working week in which amended timetables were introduced on the Thameslink route, the operator cancelled 126 trains out of its normal 380 trains, leaving 67 per cent. of trains in service.

Anne Main: The Minister is reiterating the timeline of catastrophe that my speech touched on. I want to know what the Minister did from October, when we were aware of what the drivers were doing. As I understand it, there was no meeting until 11 November.

Chris Mole: As has been made clear in statements to the House, Ministers were monitoring the situation from the point at which we were advised that officials had agreed amended timetables with the train operating company.

Anne Main *rose*—

Chris Mole: As the disruption continued, First Capital Connect was progressively able to reduce the planned number of cancellations so that by 11 January this year, 80 per cent. of services were planned to run. The Department agreed the amended timetables to ensure that First Capital Connect could give passengers accurate information on the minimum level of service that would be provided. That was designed to reduce the passenger disruption and confusion caused by short-notice cancellations, and to provide passengers with a timetable—albeit a reduced one—that allowed them to plan their journeys.

In giving that approval, the Department required First Capital Connect to introduce specific mitigation steps to provide the best possible service, including protecting first and last services for all routes; balanced services throughout the day; replacement bus services where appropriate; reinstatement of services where resources were available; and making First Capital Connect tickets acceptable on other routes and transport modes.

Anne Main: Will the Minister give way?

Chris Mole: For the last time.

Anne Main: I am sorry if it is the last time, because there is an awful lot of detail. It is crucial that we know when the Minister was advised that the situation was becoming untenable. We know that a reduced timetable was agreed to, but on exactly what date did he become aware of how bad the negotiations had become?

Chris Mole: I have made it plain that Ministers were made aware when it was known for certain that concerted action had been notified to the train operator, which must have been the week before the implementation of the revised timetables.

Kelvin Hopkins: The Minister is talking about the reduced train service. The major problem beyond that was that the automated indicator system often bore no relation to the service, the automated voice system bore no relation to the indicator system and, just occasionally, there would be a live voice trying to sort out the mess. Will the Minister address that problem?

Chris Mole: My hon. Friend intervened at exactly the right point because I was about to say that First Capital Connect acknowledges that its provision of information to customers, including on customer information systems, has not been good enough. The company is in discussion with my officials on how it intends to improve information provision to passengers.

At the beginning of December 2009, First Capital Connect and ASLEF confirmed that a pay settlement had been negotiated and they gave a joint communication to that effect to staff. The proposed pay settlement was considered by the ASLEF executive committee on

[Chris Mole]

8 December 2009, which recommended its acceptance to members. The official deadline for members to accept or reject the offer was 13 January 2010. First Capital Connect and ASLEF undertook engagements jointly and separately with the train drivers to encourage them to return to overtime and rest day working. Although that strategy paid some dividends with a reduction in the number of cancellations, FCC was unable to operate its full timetable until 18 January 2010.

As if the drivers' action had not caused passengers enough disruption, severe weather early last month conspired to make a bad situation worse. The snow had a significant impact on the Thameslink route. Network Rail required emergency timetables to operate and there were additional infrastructure and rolling stock problems. At perhaps the worst point, on 7 January, FCC had only 25 units available out of 107 units, which severely hampered services. My right hon. Friend the Minister of State at the Department for Transport wrote to the hon. Member for St. Albans on that matter recently. I confirm that all repairs to the damaged rolling stock are expected to be completed by 10 February 2010.

First Capital Connect was not the only train operator to have problems in the snow. The rail industry is conducting a review of how it delivered services to passengers during the bad weather, including the provision of customer information, to ensure that lessons are learned.

Stephen Hammond: I think I just heard the Minister say that the problem was with 173 trains. I believe that in the rolling stock plan of January 2008, First Capital Connect was promised 255 new carriages. How many of those carriages have been ordered? Will that figure change in the next rolling stock plan?

Chris Mole: I shall write to the hon. Gentleman as that is such a detailed question.

Tom Brake: The Minister mentioned that the industry is about to carry out a review into the problems caused by the snow. Presumably, the industry carried out a review after the problems during the bad weather last year. Have any lessons been learned from that review, which must have been carried out about 12 months ago?

Chris Mole: That is another interesting question and I will write to the hon. Gentleman in response.

We are clear about the impact of the bad weather on train services and we are equally clear on the performance of the franchise as a result of the drivers' action.

Throughout this period, the Department has remained in regular dialogue with FCC and we continue to monitor its performance on a daily basis. Indeed, the Secretary of State met with the company this week. Although the services since 18 January are an obvious improvement on those delivered to passengers since the disruption began in October last year, the Secretary of State has made it clear that performance has remained unacceptable in terms of punctuality, cancellations and passenger service. Equally, the compensation package offered by FCC to Thameslink passengers is, in our view, inadequate recompense for the three months of chronic disruption. That has only exacerbated discontent.

We recognise that FCC is introducing new drivers; six started last month and five more are due to begin soon. Further new drivers will become qualified throughout the year and existing drivers will be trained on a wider range of trains. I think that goes some way to answering the question of the hon. Member for Carshalton and Wallington (Tom Brake) about the resilience of FCC.

Anne Main *rose—*

Patrick Hall: The Minister is talking about driver recruitment and numbers. I notice that no one has said that they will force drivers to work on their rest days. The situation is clearly vulnerable and uncertain. I suggest that the Minister, train operators and Network Rail consider how all these issues can be changed so that we no longer rely on such a clearly unstable situation.

Chris Mole: My hon. Friend raises a reasonable point.

First Capital Connect has started a recruitment campaign for qualified drivers. Its recruitment actions will make First Capital Connect less reliant on overtime and rest day working, and more resilient.

Nadine Dorries: The Minister said that the compensation was not adequate. What does he think would be adequate?

Chris Mole: That is not for me to judge. That is a matter for the train operating company to consider as part of establishing a relationship with its customers.

I reiterate that, on current performance, FCC could very soon miss the benchmark levels in the franchise agreement. We have advised the company that we are considering all options open to us under the franchise agreement. Where other franchises have breached franchise agreement performance benchmarks, we have taken firm action to secure improvements in services to passengers. In the case of First Great Western, the remedial plan and the associated £29 million passenger benefits package delivered significant improvements to services.

Stephen Hammond: Will the Minister clarify that he said what I think he said, which is that the company is close to breaching the conditions? My understanding from First Capital Connect is that since 18 January, it is well above the performance improvement plans, well above breach and well above default. There is no possible way in which the Government can act unless they ignore the contract. Will he clarify what he said?

Chris Mole: The hon. Gentleman is clearly aware of the generalities of the framework and of the monitoring of cancellation, capacity and service delivery benchmarks under the franchise. A number of thresholds can trigger different types of intervention. We are looking at the numbers that FCC has given us for the period when the revised timetables were in place and for the subsequent period. We will look closely at whether those numbers lead to any need for intervention.

Recently, a remedial plan was agreed with London Midland to secure improvements to its services. We will continue to put customer interests first. I remind hon. Members of our debate yesterday, which was about the improvements that Thameslink passengers will see as a result of the Government's £5.5 billion investment in the development of the Thameslink service.

University Places (England)

4 pm

Mr. Phil Willis (Harrogate and Knaresborough) (LD): Although the title of the debate refers to university places in England, I shall actually mention places in the UK. If the Minister has prepared his brief just in terms of England, I am happy with that, but it is a broader issue.

It is important to put on the record my belief that we have a truly world-class higher education system. Since the Robbins report in 1963—when I went into higher education—the higher education system has expanded from a small relatively elite system that served some 8 per cent. of the population to a mass semi-marketised system. In England alone, 42 per cent. of our 19-year-olds went into higher education last year. That is something to celebrate; it is a remarkable achievement.

Throughout that transformation, our universities have retained a world-class reputation with four in the world top 10, and 18 in the top 100. What is more, the recent 2008 research assessment exercise reported that 90 per cent. of the research submitted was regarded as of international quality and fell into the top three grades of "world-leading", "internationally excellent" or "internationally recognised." Some 150 of our universities had at least 5 per cent. of their research deemed world-leading. What is more, in arguably the most competitive academic fields of science, engineering and technology—SET—we remain second only to the US in our output of research and in many areas, from particle physics to robotics and bioengineering to genomics, our universities are truly world-leading.

This debate is about how we provide the nation with the next generation of brilliant scientists, technologists and academics, but it is also about providing the nation with a graduate work force, which has been recognised as crucial to our economic well-being by Lord Leitch and the UK Commission for Employment and Skills. Of course, relatively few of the 1.96 million undergraduates studying in our universities will go into academic careers. Most will find their way into a variety of careers serving the public and private sectors.

However, one thing is absolutely certain: it will be the development of intellectual capital honed in our universities that powers the UK out of recession and helps to resolve the huge global challenges that face us. As someone who has been close to the sector all my adult life, I recognise just how life-changing a university education can be. Few of us in Westminster Hall this afternoon would be here if it had not been for some involvement with higher education. I came from a small back-to-back house in Burnley with an outside toilet and one cold water tap, yet here I am. I am deeply grateful to Carnegie college in Leeds and to Birmingham university for what they have given me. Although I have always rejected the 50 per cent. target set by Tony Blair for the expansion of HE, I celebrate his ambition and that of others that more young people from backgrounds like mine should be encouraged to stay on at school and aim higher than their peers and parents.

However, as Chair of the Select Committee on Science and Technology, I also recognise that simply sending more young people to university is not a sufficient goal in itself. Although I would defend the right of young people to choose both their university and course according to ability, encouraging more people to study science, technology, engineering and maths at school and then at university has become my passion. That passion is shared by many in our learned societies and is constantly promoted in the House through work by the Royal Society of Chemistry and others, to whom we all owe a debt of gratitude. It is in the areas of science, engineering and technology that students will have the greatest opportunities to contribute to the nation's economic well-being and enrich our society.

Bob Spink (Castle Point) (Ind): The hon. Gentleman has been a consistent advocate of our university system for many years. Although he is right to mention the individual opportunities that universities give, he will, no doubt, also acknowledge that the university system helps this country to keep its competitive advantage, create wealth and find solutions for some of the major problems, whether they are medical, climate change or whatever. Does he worry that the main parties, which are threatening hard cuts in public services, could get the big science budgets of universities in their sights? Does he agree that that would be a major mistake for this country?

Mr. Willis: If that is the case, I agree. The question is how we can avert it and maintain the investment that has gone into UK science, particularly big science—for example, our work at Diamond Light Source, ISIS, the great big particle accelerators and the other major facilities that we maintain. Having mapped out the key areas on which, I hope, there is agreement, I am saddened that the Government threaten to dismantle a decade of investment, encouragement and expansion at a time when we need to turn the tap on, not turn it off—the point the hon. Gentleman made.

Although President Obama is investing billions in fundamental research—in fact, that is the cornerstone of the economic stimulus package in the States—we appear to be going in the opposite direction. Yesterday when I challenged the Prime Minister at the Liaison Committee about the funding of science and higher education, it was disappointing that he said:

> "What America has not done is what we have done over the last ten years which is to double the science budget and America is trying to catch up in a way that we have been investing consistently in science over these last few years."

That is palpably not so. Throughout the whole of the Bush years, an equivalent proportion of public funds was spent on science in the US and in the UK—funding was virtually pound for pound in proportional terms. The UK was catching up after the disaster of the Thatcher years, which is when the real damage was done to our science base and our higher education. Frankly, such statements are not worthy of a Prime Minister and a former Chancellor who has done more to support science in his time in Parliament than probably any other member of the current Government.

Although I do not buy into the emotive statements of the Russell group—I am sure that the Minister will comment on them—claiming that the current cuts will plunge the sector back 800 years, the group has recognised that reverse gear is not a sensible option when we are in a race to the top. Perhaps more worrying than the petulant screams of a sector that has done very well over the past decade, is the fact that a number of forces are merging that threaten the ability of the sector to

[Mr. Willis]

meet the demand for places generated by the success of our schools, our universities and, yes, the Government's own policies. That has, I think, been supported by all the political parties represented in the House.

It should not come as a surprise to the Minister or to any of us that UCAS applications have risen by 12 per cent. this year. The numbers have been swelled by the 160,000 students who had the qualifications, but not the places last year. The recession means that many 18 to 24-year-olds are seeking to invest in their own futures through higher education, rather than go on the dole. The work of science and engineering communities has resulted in a significant increase in the demand for science, engineering and technology places. Our universities have bitten the bullet and actively sought out new cohorts of students from non-traditional backgrounds and from adults who want to study part-time. That is a huge success story, in which we should all take great pride.

Mr. Andrew Smith (Oxford, East) (Lab): I congratulate the hon. Gentleman on securing this important debate. Of course, world-class universities are absolutely crucial to my constituency and, as he says, to the future cultural, individual and economic development of this country. On his reference to all parties, I would like to place on the record my strong support for continuing the big investment that has been made, not only in science, but in higher education more generally. I am very concerned that it should be sustained for the future.

Mr. Willis: I thank the right hon. Gentleman. I share his passion for higher education, which is not only because of the constituency he represents, but because he has genuine enthusiasm. The purpose of raising the debate in a non-party political way is to show that the issue transcends politics and that unless we maintain our commitment we will slip down the ladder.

The situation regarding places is worrying. Last year, pressure was put on the Secretary of State and he found 10,000 additional university places in the summer, but he then announced that there would be no funding to go with them, even though they were mostly SET places. Universities cannot deliver science and engineering courses without appropriate funding, and it is nonsense to expect them to pick up that tab. In December, we saw £600 million axed from science in HE budgets, which will affect the area I am most interested in—science. Just yesterday, a further £250 million was slashed from teaching budgets. According to Sir Alan Langlands, the boss of the Higher Education Funding Council for England, that will mean 6,000 fewer places.

The question is whether our universities can cope. Should they absorb the additional places and ride out the storm? Perhaps they can, but with no extra funding and a penalty of £3,500 if they recruit additional students above the quota, few will take the risk. The net impact is that the very students the Government, schools and universities have worked so hard to help gain qualifications and make applications will now be denied access at the gates of our universities.

I visited the university of Huddersfield last Thursday and found that it has done some remarkable work in Barnsley. That town is not noted for the number of its students going into higher education, but there has been a 23 per cent. increase in applications from Barnsley for the university of Huddersfield campus. The quota cannot be met because there is a freeze on places. As places become scarce and entry levels increase, there will be a cascade effect for students down the perceived order of institutions, and it will be the poor, non-traditional students who miss out. That could be one of the cruellest deceptions played on some of our most vulnerable young people. I want the Minister to explain how he will protect the interests of that group.

Other, perhaps more sinister, forces are at work. On 24 January *The Sunday Times* published an article with the following headline:

"Universities slash places in cash crisis; A funding squeeze will mean thousands of would-be students missing out".

It was more like a headline from *The Sun*. Claims that Oxford, Cambridge, Durham, King's, Imperial and Warwick were freezing places were perhaps not surprising, as they had already said that they would not take additional places unless there was funding. Others, such as the London School of Economics, Essex, Manchester and Edinburgh were cutting places. The university of Edinburgh was allegedly reducing its intake by 1,300—roughly a third of places. Other universities, such as Manchester, made moves to deliberately recruit below the limit to avoid penalties imposed by the Secretary of State. A storm is brewing on student places, and it is one that I want the Minister to address.

Let me be clear that I understand the dilemma for our universities, particularly for those offering SET courses. Are universities to recruit more students, even though the institutions have lower amounts of money, which will damage quality, or are they simply to reject students? That is a real challenge for them. I understand the argument, but the Secretary of State appears to dismiss it. On Monday, Lord Mandelson claimed that the proposed cuts were so minor that universities could absorb them.

Does the Minister agree with his Secretary of State? No one is listening, so he can tell us frankly whether he does. Does he dismiss the claims, particularly from our research-intensive universities, that less money per student means less quality? If he does not dismiss those claims, the issue needs to be addressed. How do we prepare the next generation of scientists and engineers if we cannot offer them appropriate amounts of laboratory experience or access to the most up-to-date equipment?

If it was simply a domestic matter to be resolved by English or UK universities and the Government, perhaps the situation might be a little easier, but sadly it is not. Our higher education system is so widely respected that demand from EU and non-EU students to study here has grown in the past decade at a greater rate than demand from the indigenous student population. Indeed, EU and international students add considerably to our economy and culture and to the diversity of our universities, and they spend roughly £2.3 billion in the local economy in off-campus expenditure, so we welcome them. I would like to put it on the record that the HE sector should be immensely proud of the talent it draws from overseas in an increasingly competitive overseas market.

However, to ask how those increasing overseas applications sit with the general upsurge in demand for UK university places is a legitimate question. International

student places are allocated and funded entirely separately from UK places and do not form part of the same quotas set by HEFCE, but does the Minister know of any evidence that suggests that universities are lowering their offers to overseas students at undergraduate or postgraduate level to expand that lucrative market? After all, with no cap on international student fees and the cost of courses currently ranging from £8,500 to £32,000, it is inevitable in the recovery from the recession that most universities will want to attract as many international students as possible. Perhaps the Minister could offer reassurance that he is taking steps to monitor what could be a potential problem for the future.

EU students, however, are a different matter. Under EU law, all EU students in the UK are treated exactly the same as UK students. They count towards the same HEFCE student numbers, face the same £3,145 tuition fees as their UK counterparts and are entitled to the same grants and subsidised loans to cover the cost of fees and living expenses. They also compete for the same places, which is the key point. The UK is an increasingly popular destination for European students, and applications from the EU are increasing at a higher rate than those from within the UK. Last year, although the number of British applicants rose by 8.8 per cent., the number of applicants from the rest of the EU rose even more quickly, by 16.4 per cent.

EU students are drawn primarily to the Russell group universities and those with the greatest international reputation. That inevitably means that UK students applying to those universities are less likely to get in as the level of competition is higher. Although we certainly want to ensure that our universities recruit the most talented students from all over Europe, that must not be at the expense of places for UK students, many of whom simply cannot afford to study at universities far from home.

What can the Minister do to ensure that there are sufficient places available in our research-intensive universities for UK students, who are more likely to stay in the UK after studying and use the skills we have invested in to enhance our country's economy and skills base? What evidence does he have that graduates who come from the EU go on to contribute to the UK economy? If they do not, what steps is he taking to encourage them to do so?

As an aside, what steps is the Minister taking to recover student loan repayments? Figures published in 2009 revealed that among the 2,240 EU students who have so far become eligible to start paying back loans, only 1,580 were doing so, leaving taxpayers with a potential £3.8 million bill. It would be ironic if UK students were denied places in universities because of competition from EU students and then ended up contributing in their taxes to pay for the loans that were not paid back. I leave him with that little problem.

4.18 pm

The Minister for Higher Education and Intellectual Property (Mr. David Lammy): As usual, I am grateful to the hon. Member for Harrogate and Knaresborough (Mr. Willis)—*[Interruption.]* I think that he might be ringing me as well just to make sure I get the point. He has chosen a topical subject. In fact, this is the sixth debate that we have had, in either Westminster Hall or the House, on higher education and the question of student numbers. The debate is given added relevance, however, by the funding context, part of which he outlined in his contribution. Obviously, that has been against the background of this year's higher education recruitment round.

I have publicly described some of the reactions to the Government's announcement in the grant letter written to universities shortly before Christmas as amounting to scaremongering. I note that in his *Yorkshire Post* article last week, the hon. Gentleman said that it was "academic hysteria and hyperbole". We agree on that.

It is important that we put all that is written about the savings that we have asked the sector to make—I shall say a bit more about that shortly—against the backdrop of record investment over the past decade. I was pleased that the hon. Gentleman's article took due note of the generosity of higher education funding settlements in recent years, and of the success of the Government's policy of enabling many more people to benefit from university education. I am pleased that he mentioned that again today.

The Government's record on expanding access to higher education in terms of simple undergraduate numbers and the social make-up of the student body is a proud one. Frankly, the achievements of the past 13 years are thrown into sharp relief by the failures of the previous 18. I do not want to be overly political—that has not been the tone of this debate—but we should remember that the unit of resource in universities fell by 38 per cent. between 1991 and 1997. That led to huge class sizes and poor facilities across the country for STEM subjects—science, technology, engineering and maths—on which the hon. Gentleman is particularly keen. In fact, he will remember, and may well have been part of, the Save British Science campaign. Things had got to that stage.

We are light years away from that today. The backdrop, as of this moment, is that we have more students in higher education, a broader spread of young people from different social backgrounds in our universities and more students from a British but nevertheless ethnic minority background than ever before in our history. We also have better facilities. Our commitment to a ring-fenced science budget and to research is something of which we can be very proud, and I am pleased to honour and repeat it to the House today.

Statements about STEM have been made this afternoon. I want to remind the hon. Member for Harrogate and Knaresborough that, notwithstanding the savings that we have asked the sector to make, it is still the case that public funding in research will increase by 7 per cent. in the next financial year. That is our commitment, and, as the Prime Minister indicated, it does hold up to what we have seen in the United States. Because of where we have come from, our commitment to support science should not be underestimated.

On funding, I hope that the hon. Gentleman will at least recognise our record and remember that many of the savings that we have asked the sector to make relate to capital spend that we brought forward from last year to this year as a fiscal stimulus—£250 million—and to capital spend that over the period of the Labour Government amounts to more than £6 billion. That is against a backdrop of a capital spend on further education of zero when we came to power, and of much less on

[Mr. David Lammy]

higher education than today's. I hope that when he looks carefully at the grant letter, he will recognise that we have made our decision—obviously, HEFCE was in on the detail of it—in order to protect front-line teaching and our commitment to a ring-fenced science budget.

Much has been said against how that stacks up in relation to university places. The supply of university places for home students has grown, and the supply of fully funded places will grow again this year, but demand for them has grown even faster. In part, that is a product of our policies and schemes such as Aimhigher, but also, given the wider economy, students are looking to higher education as somewhere that they want to be.

The hon. Gentleman knows how much effort the Government have put into helping young people over this period, with our Backing Young Britain campaign and, underneath it, the guarantee of a job, training or work for young people. He referred to the 10,000 places that we brought forward last year and the signalling of our intention that those places should support new industries, the new jobs agenda and the STEM agenda, about which he is particularly concerned.

It is far too early in the cycle to whip up fear about student university places. I was concerned when I was at a school in my constituency this week that those young people, seeing the headlines, will begin to worry that there will not be a place for them at university this year. I say to the sector and to those who are concerned about it that we should be measured in our language.

At this point last year, exactly the same things were being said. Some people said that clearing would last for about half a day. It lasted for weeks. They said that barely 10,000 people would find a place through clearing, but 40,000 students found a place. They said that there would be a terrible crunch and students would be left with nothing. We have more students at university than ever before in our history, and we will have more students at university next year than we have ever had. I reassure the hon. Gentleman about that.

The hon. Gentleman has been keen to ensure that there is no suggestion that quality is not fundamental to our system, so he will understand that it has never been the case in our history that everyone who wanted to could go to university. Demand is rising. At this point in the year, many young people will have applied, but not all those who apply over the autumn and into January eventually make their way to university. Some make other decisions, and that is why we have announced an extra 35,000 advanced apprenticeships. We want young people to take up advanced apprenticeships in new and important technical and professional areas of our economy. We have announced places in further education in new areas and in STEM areas because we recognise that this is not just about higher education. We make a distinction between higher-level skills and higher education.

It is also the case that there are students who get straight As who do not go to university in the year that they applied because they did not get into the course or university that they wanted. They take a gap year or they do some further study and apply again.

I want to reassure the hon. Member for Harrogate and Knaresborough, and to shed a bit more light than heat as I stand here in February, by saying that we should see how things go throughout the year, remembering that this year is different from last year. This year, we can at least say that we are not in the grip of and at the height of the recession—we have moved out of it. We remain vigilant about employment, but we are moving in the right direction.

Statements have been made about international students. I was speaking to the leaders of the University Alliance group this morning. They reassured me, as I want to reassure the House, that these are separate markets. We welcome the growth in the number of international students—

Joan Walley (in the Chair): Order. I am afraid that we must move on to our last but not least debate.

Punjabi Community in Britain

4.30 pm

John McDonnell (Hayes and Harlington) (Lab): I speak as chair of the all-party group on the Punjabi community in Britain. Hon. Members will know that the group was established 15 or 16 years ago by my right hon. Friend the Member for Warley (Mr. Spellar) and others. At that point it focused on human rights. In 1997 we expanded the scope of the group to include a range of issues affecting the Punjabi community in Britain. The group is now acknowledged as the voice of the Punjabi community in Parliament.

We have had regular debates and interventions in terms of meetings with Ministers, and we have held seminars and working groups on the environment, health, human rights, nationality and visa issues. As a result of our work we have influenced the Government's agenda over the past 12 years. We would not have been able to do that work if it was not for the voluntary support from our researcher and co-ordinator, Iqbal Singh, and other colleagues.

From time to time we have had Adjournment debates—this one is relatively brief—to sum up where we are on various issues. We have taken a slightly different approach to preparing for this debate, in that we have gone to our constituents via the Punjabi media, including Desi Radio, *Des Pardes* and Punjab Radio, and invited them to submit issues that we should raise in this debate.

I appreciate that the list is wide-ranging. We will try to cover as much as we can in the time available. I also appreciate that it puts the Minister in a difficult position in respect of responding to all the issues we raise. We would welcome at least the recognition that the issues have been taken note of, with responses made subsequently if there is no time today.

The first issue is about recognition. Statistics from the Office for National Statistics estimate that there are approaching nearly a million people of Punjabi origin in this country. Punjabi is this country's second language. The largest proportion of that population is Sikh, yet concern remains that Sikhs are not recognised in the census as an ethnic category. The 2011 census is coming up and is now in preparation, but there is still resistance from the ONS to the inclusion of a Sikh question. Jasvir Singh Rayat, a constituent of mine and a well-known Punjabi radio presenter, contacted me yesterday asking me to mention that. We have had representations on that matter from a number of groups and organisations this week.

On Monday a report was released examining the process used by the ONS to select the ethnic groups for the 2011 questionnaire, and arguing for a change to it to include a separate tick-box for Sikhs. That reflects legal decisions that have been made over years in our courts. The ONS has still to finalise the questionnaire for the census, so will the Minister see whether she can facilitate a meeting with the ONS to resolve the issue? Time is tight, because it is hoped that the questionnaire will be determined at least by the end of February.

Rob Marris (Wolverhampton, South-West) (Lab): Does my hon. Friend agree that there is a problem with categories in that the census mentions ethnic groups when it means racial groups? Following the Mandla decision of the early 1980s, Sikhs are not only a religious group in the United Kingdom but are legally recognised by the courts as a racial group. If the ONS got its wording right and understood the difference between "racial" and "ethnic", it might make it easier for us to win that change to the census.

John McDonnell: We have had the argument before. A straightforward face-to-face meeting with the ONS should resolve the matter. We simply want to reflect the legal decisions that have been taken to date.

Secondly, maintaining Punjabi culture and language has been one of the long-standing concerns of the community and our all-party group. Over the past decade, with the support of the Government, but driven largely by the voluntary efforts of the Punjabi community itself, Punjabi culture has not just blossomed, it has permeated our whole society—from dance, bhangra, music, traditional and modern, to film, drama, theatre and television, the most recent programme in that regard being "The Family", which was almost an addictive watching experience. That has happened as a result of, and thanks to, the major contribution by the Punjabi media.

Desi Radio, for example, is a community radio station funded partly by Government initiatives when it was set up and awarded a radio licence. It has demonstrated by its success how radio can be used to maintain and promote culture. Punjab Radio and others have made their contribution as well. There is a continuing need to support access to radio licences and wavelengths for community radio, and to consider the support that needs to be given to sustain them in the long term.

Mr. Virendra Sharma (Ealing, Southall) (Lab): I congratulate my hon. Friend on raising this important issue. Being a Punjabi myself, coming from that region, I should say, as my hon. Friend has, that we have contributed to this country, not only in respect of culture but in other areas, including the political, social and educational fields. Importantly, my hon. Friend will agree that we have exempted the Sikh community in this country from wearing helmets. That means that Sikhs have been legally recognised as a group and a community in the past. It is important that, as my hon. Friend has already said, the Minister takes this matter on board so that we can clear up this point for the future.

John McDonnell: Exactly. There is a series of legal precedents, not just on the wearing of helmets, but in respect of the recognition of the status of Sikhs in law and the recognition of other practices, including wearing of the kirpan, which warrants the ONS taking a similarly flexible approach.

My hon. Friend mentioned education. The role of schools in maintaining culture and language is critical. Again, we will all want to pay tribute to the work that has been done by the Government in promoting Sikh schools. The work of Guru Nanak school has been so successful in demonstrating not just how educational standards can be improved, but how that can be done in a way that integrates with the wider community and does not involve a separatist approach.

On culture, may I raise one issue that we have not mentioned before and make a plea in that regard? Culture is more than just music and dance. It is sport as

[John McDonnell]

well. We ask the Government to consider how they can assist in promoting specific Punjabi sports. I plead for recognition of what some call kodi and others call kabaadi, which is a sport best described as a combination of rugby played without a ball, all-in wrestling and possibly chess. Kabaadi or kodi is an exciting Punjabi sport, but it needs support from the Government to assist in regularising the institutions that promote and manage it in the UK. Recognition is needed, as is funding support to train people and develop the sport in this country. May I suggest that the Minister goes back to her colleagues and requests that Sport England, or whatever appropriate body, convenes a meeting of all the interested parties to discuss how we can move forward to put kabaadi on a secure footing for the long-term future?

Thirdly, my constituents have asked me to raise the issue of how they can maintain contact with the Punjab and its heritage. British Punjabis naturally want to maintain their contacts with the Punjab and their cultural and religious heritage and, of course, their families and relatives by being able to visit there. A number of continuing concerns have been raised with us in recent years. For example, many British Punjabis wish to visit and perform their religious duties, including visiting Amritsar, the Golden Temple, the Darbar Sahib, but there are worries about the continuing threat to flights into Amritsar international airport from high landing charges in comparison with those at Delhi. May I suggest that the Government urge the Indian Government to do all they can to secure the future of Amritsar airport and maintain its accessibility?

Another issue that we have raised in Parliament this year, which has also been raised in the community, is access to Kartarpur Sahib, the former abode of Baba Guru Nanak Ji, which is a holy site for the Sikhs. Partition more than 60 years ago resulted in Kartarpur Sahib being located in Pakistan, only 3 km from the Indian border but separate from India. We have been lobbying for some time now for Pakistan and India to agree to open up the border at that point to allow free access to this holy place. There has been some dialogue, but not full agreement. Will the Government offer their good offices to assist in negotiating a resolution to the problem, and to facilitate access? That would be very gratefully received by the Punjabi community in Britain.

On visas more generally, issues continue to be raised as constituents seek to ensure that family members from the Punjab visit them for weddings, birthdays and, regrettably, funerals. We welcome the Government's accession to our long-standing request to open a visa office in Jalandhar, and that has been incredibly helpful, but it needs to be upgraded to a full office to undertake the full range of duties: applications, interviews, decisions and, yes, appeals. Again, it would avoid the arduous burden on British Punjabis and their families of the costly journey to Delhi. Will the Minister review that, and report on it as a matter of urgency, because we have been arguing for that for some time?

Mr. Sharma: It is important when talking about visas to realise that many people come from the Punjab to this country, but visa filing services have no officials from the visa section. Will the Minister take on board the community's request for an embassy official to be based in Jalandhar to facilitate visa applications from there?

John McDonnell: That is a heartfelt issue throughout the community, and my hon. Friend has accurately reflected what we hear from families at our surgeries time and again.

Student visas have been controversial recently, and we are all aware that there have been scams at both ends of the system, with some people who are not students applying for visas. The Government have taken drastic action, but we are worried that those who genuinely want to come here to study may be penalised. The visa application policy for students should be sensitive.

There is also an issue with bogus colleges here taking students on and extracting large fees, but not offering proper educational opportunities. I have come across that problem in my constituency, and have investigated them. A problem with Preston college in Clayton road in Hayes was raised with me this week. It has been taking fees, but not providing the promised standard of education. I would welcome discussion with the relevant Department on how to resolve the issue of student visas sensitively.

The all-party group has been a human rights group for a long time, and we have not dropped that work, which is still a concern of the group and the community. An issue that was raised during the previous debate is the death penalty that still hangs over the head of Professor Davinder Singh Bhullar. There were confessions, but they were produced as a result of torture. The case is not secure, and the death penalty should be removed in India; it should certainly not hang over that man's head.

The same problem exists in Pakistan with Sarabjit Singh. Amnesty International took up his case, and some of us have been on delegations to the Pakistan High Commission. Will the Government raise those two cases, and the death penalty generally, with the High Commissions of India and Pakistan?

There is a human rights issue in this country with caste discrimination. At the weekend, my hon. Friend the Member for Ealing, Southall (Mr. Sharma) and I were at the Sri Ravi Guru Dass Ji temple in Southall, which has led the campaign to ensure that we outlaw caste discrimination in this country. We have an opportunity to do so in the Equality Bill, and we have tabled an amendment to outlaw caste discrimination. Ministers have said that they are not convinced that there is sufficient evidence of caste discrimination in the UK, so we have provided that evidence. We have also provided them with a fall-back position. If they are still not convinced, they could take a reserve power so that if further evidence becomes available later, they could introduce delegated legislation outlawing caste discrimination, instead of having to wait for primary legislation.

I want to raise some ongoing issues from the previous debate a few years ago on which we seek follow-up. The first concerns prisoners of war on the western front during the second world war who came from the Punjab, served in the British Army, and were taken prisoner in north Africa. Many died, but many were taken by the

Nazis to Europe as slave labour and suffered immensely. I have met Ministry of Defence officials, and the Minister has now taken a personal interest in the matter and has agreed to consider proposals to acknowledge that service and suffering. We are putting proposals together and will submit them this week. All the former prisoners are asking for is an acknowledgement. The issue is not about compensation at the moment. They want an acknowledgement of the service that they gave and the suffering that they went through. I commend Colonel Chanan Singh Dhillon on the persistence with which he has pursued this campaign.

We also raised the tragic circumstances of the murder of Tarsem Singh Purewal, editor of *Des Pardes*, more than 20 years ago. At that time, we sought information from the Home Office and the Metropolitan police about the continuing investigation of the case. Still no one has been brought to justice for perpetrating that murder. I would welcome an update from the Home Office and the Metropolitan police on what has happened to the investigation. It is time to find the truth. That might not relieve the family's suffering for the loss of their loved one, but at least it might bring some closure.

Another issue, which has also been raised again this week by some of the gurdwaras is the wearing of the kirpan. That religious practice is pursued by all baptised Sikhs, and rightly so. Yet despite years of negotiation with the Home Office to obtain clear guidelines, there are still problems with security staff. They have arisen at Heathrow, Wembley and other public places, and I am worried that with the Olympics coming up there could be a problem if we do not take action now. We would welcome the Government reiterating the guidelines. We could then be proactive in promoting them with public bodies and agencies, and private sector security companies so that they are aware of the guidelines and the importance of Sikhs' religious practice of wearing the kirpan, and so that there is no conflict or confrontation as we move towards the Olympics.

In the time remaining, I want to raise two points. One is tragic. A few months ago, *The Observer* reported what has happened in the town of Bathinda in the Punjab and villages in the surrounding area. It reported children suffering from cerebral palsy and a range of other deformities resulting from environmental pollution. The photographs and report were incredibly distressing. An international response is needed to investigate the causes, because the scale of the problem in those villages has led to a belief among the Punjabis that the problem stretches right across the Punjab and results from environmental pollution, possibly caused by coal generators in the area, but other issues such as uranium and subsoil pollution are also a possibility. Will the Government consider how they can co-operate with and assist the Indian Government to research and investigate the matter, and help the families of those who have suffered?

A personal and abiding concern is the injustice of Britain retaining the Koh-i-noor diamond. It was owned by the last maharajah of the Punjab, Maharajah Dalip Singh, and was stolen from him when he was a child by the East India Company and given to Queen Victoria when Dalip Singh was removed from his throne. It is part of the Crown jewels in the Tower of London. It would be an act of generous justice to return it to the people of the Punjab, simply because it is theirs, not ours.

Each year, the all-party group holds Vasaikhi celebrations and a Punjabi cultural awards ceremony, and I congratulate all those who have received awards over the past few years on their work in the Punjabi community. They are the heroes and heroines of our community and have worked hard voluntarily. On 24 March, we will hold our Vasaikhi celebrations and award celebrations in the Jubilee Room, and I invite the Minister and all hon. Members to come along. It will be a celebration of the Punjabi community's contribution to this country, which has been immense over generations.

4.49 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Barbara Follett): It is an honour to have you in the Chair this afternoon, Ms Walley, and it is also an honour to take part in what, thanks to the dedication of the all-party group on the Punjabi community in Britain, and its chair, my hon. Friend the Member for Hayes and Harlington (John McDonnell), has become a regular debate on the Punjabi community in Britain.

Today's debate, and the detailed community-based research that has gone into its preparation, has been wide-ranging and informative. It is also very timely. Only two weeks ago, my right hon. Friend the Secretary of State for Communities and Local Government (Mr. Denham) launched the Government's paper "Tackling race inequality: a statement on race". That paper recognised that although Britain has changed a lot over the past 10 years, there are still problems such as the wearing of the kirpan that we need to tackle. Some of those issues have been mentioned in today's debate, and I congratulate the all-party group, and its many friends, on the work it does to address such issues in our country.

The legislative and community framework in which the all-party group is working has, as I said earlier, changed a great deal and will continue to do so thanks to the Equality Bill, which is currently making its way through Parliament. As the then Minister responsible for equality, I played a large part in drafting the Bill, so I am extremely familiar with the arguments about caste-based discrimination and prejudice, and I have spoken to hon. Members about that at length.

I know that some Members would like to have seen that issue dealt with in the Equality Bill, and my hon. Friend the Member for Hayes and Harlington explained the Government's position extremely well. The Government have not found sufficient evidence for the existence of caste-based discrimination in the United Kingdom that is compelling enough to require a major change to the law, particularly as the areas where it is said to occur—and where I believe it does occur—may already be covered by other legislation. However, there has been progress, and the Government are commissioning independent research on caste prejudice and discrimination in the UK. We made a commitment in the other place to give a progress report on it when the Equality Bill reaches Report, and I hope that provides hon. Members with some assurance that we are taking the matter seriously.

The story of Britain's Punjabi community is one of great success. The community has been successfully integrated in British life while managing to remain both culturally confident and distinct. As part of the wider Indian group, Punjabis have managed to achieve educational and employment levels that are above—in some cases

[Barbara Follett]

very much above—those of the rest of the community. Like my hon. Friend the Member for Hayes and Harlington, I pay tribute to the Guru Nanak school in Southall for making such a contribution.

Mr. Sharma: That school is in Hayes. However, there is a school in Southall in my constituency that I am sure will prove as efficient as the one in Hayes.

Barbara Follett: I thank my hon. Friend for correcting me. I meant to thank the Guru Nanak school in Hayes for its contribution not only to the Punjabi community, but to the whole of the United Kingdom.

In a previous ministerial life, I was involved in the 2011 census as the Minister responsible for equality. I know that there is a long-standing lobby for the Sikh group, along with other groups, to be given a dedicated tick-box in the ethnic category question of the census. As Members know, the Office for National Statistics consulted widely on the content of the census in 2006 and 2007. At the end of that process, it decided for financial and continuity purposes that the number of dedicated options had to be limited. Although it introduced two new categories, neither of those was Sikh.

However, the ONS has said that when a person filling in a census form does not feel that their ethnicity is appropriately described by a tick-box answer, they can write it in the space provided on the form. The questionnaire also gives people the space to record their religion in the same way. As my hon. Friend the Member for Hayes and Harlington requested, I will make further representations to the ONS on the subject on behalf of the all-party group, but I fear that we are probably too late to make much difference.

Rob Marris: I wonder if I could prevail on the Minister to facilitate a meeting between concerned Members of Parliament and the ONS to explore the issue further before it comes to the House for a final decision.

Barbara Follett: I give my hon. Friend an undertaking that I will try to do that. Sometimes it is not as easy as one would imagine to effect such meetings, particularly when time is tight.

This seems to be a journey through my ministerial life: after being Minister responsible for equality, I became a Minister in the Department for Culture, Media and Sport. While at the DCMS, I was impressed by the amount of work being done with radio stations, BBC television and the Asian network radio service to promote Asian and Punjabi culture. I was particularly interested in the work done by Arts Council England, which includes a number of south-east Asian arts organisations in its portfolio of regularly funded organisations. I am glad to say that guidance for the application process for those grants, which can be quite complicated, is also available in Punjabi.

John McDonnell: The Minister mentioned the BBC. There is still concern among the Punjabi community about the lack of representation of Punjabi interest on the BBC, and about Punjabi representation on the various boards and advisory bodies of the BBC, particularly in television.

Barbara Follett: I will note that point and mention it to my colleagues in the Department for Culture, Media and Sport.

The promotion of sports, including the recognition of kabaadi—I hope I am pronouncing it correctly—is something that we are extremely keen on for various reasons, such as health, culture and general well-being. I understand that kabaadi requires agility, good muscular co-ordination, presence of mind, excellent lung capacity, and an ability to anticipate the moves of one's opponents—attributes that many Members of the House could do with. I am happy to promote it both to Members of the House and to other members of the community.

My hon. Friend the Member for Hayes and Harlington mentioned several other matters, which I will run through in the two minutes that remain for the debate. On access to the Punjab, sadly, the high cost of flying to locations in the Punjab due to airport tariffs is a matter for the Indian Government. We are pleased that the visa office has now been established, and I will write to my hon. Friend with further details, and follow up the remarks made by him and by my hon. Friend the Member for Ealing, Southall (Mr. Sharma) about student visas.

Human rights is a difficult subject that is obviously raised in bilateral and multilateral talks between the British and Indian Governments. That will continue to be the case. On the subject of former prisoners of war, I look forward to receiving the letter from my hon. Friend the Member for Hayes and Harlington and will help to take it further.

On the possible death sentence for Professor Bhullar, as hon. Members know, the Government oppose the death penalty in all circumstances. We have made the Indian Government very aware of our position. Similarly, on environmental pollution in the Punjab, I know that many organisations are working on that difficult problem—it might be wise to mention it to the Department for International Development in particular. I am afraid that the Koh-i-noor diamond is a matter way above my pay grade, and I suggest that my hon. Friend looks at other ways of raising that subject.

5 pm

Sitting adjourned without Question put (Standing Order No.10(11)).

Westminster Hall

Thursday 4 February 2010

[MR. GARY STREETER *in the Chair*]

Human Rights

[Relevant documents: Seventh Report from the Joint Committee on Human Rights, Session 2008-09, HC 320-I, and the Government response, Cm 7633; and the Twenty-second Report from the Committee, Session 2008-09, HC 522, and the Government response, HC 328, Session 2009-10.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(David Wright.)*

2.30 pm

Mr. Andrew Dismore (Hendon) (Lab): The purpose of the debate is to consider the two reports from the Joint Committee on Human Rights on policing and protest. Peaceful protest is one of the cornerstones of a democratic society and we are rightly proud that the UK has a fine tradition of upholding the right to protest. However, protest has been the cause of major controversy in recent years. The law on protest around Parliament has been wholly criticised, as have the use of the containment tactic known as kettling by the police and the tactics used against climate change protesters at the Drax and Kingsnorth power stations.

The Committee decided to look at policing and protest in the light of those issues, before the events at the G20 protest. We set out to: identify the problems with peaceful protest in the UK raised by both protesters and the police; assess whether the legal framework for protest was working and, in particular, compliant with the European convention on human rights; and look at police tactics, guidance and training to see whether they fully reflected the UK's human rights obligations.

Although not an absolute right, the right to freedom of peaceful assembly and expression is protected by articles 10 and 11 of the European convention. The Government must not prevent or restrict protest, except in limited circumstances, and are obliged to facilitate the right to protest. Any restrictions must be necessary, proportionate and prescribed by law—a high threshold. The presumption is in favour of the right to protest. In practice, we recognise that the police have to balance the competing rights of protesters and those protested against, together with the rights of others involved in a protest—journalists or bystanders, for example—and counter-protesters.

During our inquiry we heard from protesters, their representatives, the police and people who have been the subject of protest, such as the staff of Huntingdon Life Sciences and the Minister. Some protest targets complained of under-policing, arguing that there had been insufficient consideration of their rights. Balancing those competing interests is no easy task, and it is no surprise that the police cannot always get it right. Protests will always upset someone—that is the whole point of protesting.

The Court of Appeal has said:

"Rights worth having are unruly things...inconvenient and tiresome."

That view was echoed in the Home Office's most recent policing White Paper:

"Rights are unwieldy things. The public can expect some inconvenience and nuisance as a consequence of the state upholding those rights. This is a hallmark of an open, democratic society."

I think that we all agree with that and congratulate the Home Office on that human rights approach.

We published our first report in March 2009, but within days we saw the issues we had discussed and the need for our recommendations to be implemented brought vividly to the fore during the G20 protests in London. As a result of what happened, we reopened our inquiry in May 2009 and heard oral evidence from G20 protesters and observers, including the hon. Member for Carshalton and Wallington (Tom Brake), the chair of the Independent Police Complaints Commission, senior police officers and the then Home Office Minister, my hon. Friend the Member for Gedling (Mr. Coaker). Our second report was published in July 2009. I am grateful for the constructive Government replies to both reports.

Two other major reports were produced in 2009 on policing and protest by Her Majesty's inspectorate of constabulary. Those were commissioned in the light of the G20 protests by the then new Metropolitan Police Commissioner, Sir Paul Stephenson. HMIC's recommendations chime very much with the Committee's findings, which I had discussed with the chief inspector, Denis O'Connor, during his investigations.

We also discussed the findings of our reports, those of HMIC, the Government's response and the White Paper with HMIC, the police—the Metropolitan Police Service, the Police Service of Northern Ireland and the Association of Chief Police Officers—the Crown Prosecution Service and the Minister for Policing, Crime and Counter-Terrorism, my right hon. Friend the Member for Delyn (Mr. Hanson), at a mini-conference we hosted in Portcullis House last week.

In setting out the issues we identified on the policing of protest, I should begin by endorsing the police's assessment that the vast majority of protests in the UK pass off peacefully and without incident—there are 4,000 to 5,000 public order events a year in London alone. It is rare for the police to offer formal conditions under the Public Order Act 1986—we were told that that happened on 70 occasions across England and Wales in 2008—and large-scale protests that are difficult to police, such as those at the G20 or the Kingsnorth climate camp, are pretty infrequent.

Nevertheless, a number of witnesses complained that police powers were being used more intensively than in the past. There were well-substantiated complaints about the misuse of stop-and-search powers, under the Police and Criminal Evidence Act 1984 and section 44 of the Terrorism Act 2000, to intimidate or harass protesters and collect personal data without explanation.

Hundreds of petty incidents, not much in themselves, have a cumulative effect that is frightening, worrying and undermines confidence and trust in the police. The National Union of Journalists and individual reporters raised with us the restrictions on photography and on the activities of journalists. For example, we saw video

[Mr. Andrew Dismore]

footage of a police inspector instructing journalists to leave an area during the G20 demonstrations and threatening them with arrest if they did not comply.

Mr. David Drew (Stroud) (Lab/Co-op): I am grateful to my hon. Friend for giving way and sorry for missing the first minute of his speech. With regard to demonstrations, I get more complaints about the issue of photography than about anything else. Is there now a protocol with regard to whether the police should allow someone to take photographs? I know that the Home Office is to respond to that point, but it is an urgent matter. That is one of the real points of tension with protesters, as I am sure he would agree.

Mr. Dismore: My hon. Friend certainly makes an important point. The question of photography comes up in all sorts of ways, and I will refer to some of those later in more detail. Issues include the photographing of protesters by the forward intelligence teams that the police use, attempts to prevent photography or to seize equipment, and efforts to photograph protesters as they leave demonstrations and to take their names and addresses, all of which are extremely questionable in law. My understanding is that new guidance is in train on all those issues, so we will have to wait to see what it says. My hon. Friend the Minister will, no doubt, fill us in on the details when she replies.

The use of other legislation intended for non-protest purposes was also raised during the Committee's inquiry. We were concerned to hear that the Protection from Harassment Act 1997, which was brought in primarily to deal with stalkers, has been used to obtain injunctions to prevent protest activities that seemed to us to be perfectly legitimate. We heard of the injunction obtained by npower against Dr. Peter Harbour over the Radley lakes issue, where npower wanted to use the lakes to dump ash from power stations, not surprisingly attracting community disapproval. He could not afford to challenge the injunction taken out against him and the protesters. An injunction was also taken out against a photo-journalist for merely taking pictures of what was going on in that case. That was successfully challenged in court, and presumably the case was financed by the journalist's publication.

Injunctions are granted in private, ex parte—a process intended for urgency, and after the event it is often too costly to challenge. If the issue relates to peaceful protest, it is unlikely to be so urgent, so at the least the application should be on notice to the protester. That is what we require for injunctions in industrial disputes, and the same process should apply to protests. I urge the Minister to look again at the civil procedure rules to see if that could be achieved to gain a fair balance and prevent the misuse of that power.

Dr. Evan Harris (Oxford, West and Abingdon) (LD): I am pleased to hear the Chairman of the Committee on which I serve set out the provisions so clearly. I support what he has said, as both Dr. Peter Harbour and the journalist involved in that case are my constituents. Why do the Government not understand how difficult it is for someone to have that private, prior restraint applied to them but to find that the costs involved in resolving the matter are beyond their means, particularly if they cannot receive legal aid? I wonder whether the Minister would be willing to meet that gentleman to explain to him what is not clear from her reply in the Government's response.

Mr. Dismore: I am grateful to the hon. Gentleman, who is a valuable member of my Committee. He raises a serious issue. I was disappointed by the Government's subsequent response when we reiterated our recommendations on that. I do not think that they have got to grips with how serious an impediment to protest the use of civil injunctions is. I had much experience of such injunctions for industrial disputes when I was in practice, and it is difficult to see why the process available for industrial disputes, which is a special process for injunctions that requires that they be obtained on notice to the trade unions concerned, could not also be applied when dealing with a question of protest.

The Government response states that it is difficult to identify who is a protester and who is not because that is not actually defined in law, but I think that the courts are able to draw a clear distinction between what is and is not a protest. Moreover, it is in the court's discretion to refuse an injunction applied for ex parte inappropriately. As in this case, it is hard to see in what circumstances there would be any great urgency about an injunction being granted.

David Howarth (Cambridge) (LD): I congratulate the hon. Gentleman on introducing this important debate. I will be interested to hear what the Minister has to say, but I cannot see why the Government are against simply introducing into the rules a reference to when article 11 rights are engaged. The courts would understand that, and it would meet the point directly.

Mr. Dismore: I am grateful to the hon. Gentleman, who makes an important point. I suppose that the Government will say that the courts are required by the Human Rights Act 1998 to act compatibly with convention rights anyway, but there is nothing wrong with drawing attention specifically to articles 10 and 11 rights, if it comes to that.

Poor or non-existent communication between the police and protesters was a theme that the Committee picked up throughout its inquiry. We were struck by the total lack of trust between the police and the climate camp protesters in advance of the G20 protests. The protesters said that they had tried to communicate with the police but were not taken seriously until the hon. Member for Cambridge (David Howarth) intervened to broker a meeting.

The police complained that the protesters refused to specify where their protest would take place. It is perhaps no surprise, in such circumstances, that the police prepared for the worst and were then accused of overreacting—sometimes with justification—to what was a largely peaceful protest. There were incidents of vandalism and violence, but the vast majority of protesters were not engaged in such activity.

The Committee recommends that police forces should nominate a point of contact for protesters, to facilitate communication. Some forces have done that for specific

protests. I would be grateful if the Minister confirmed whether she agrees that all forces should adopt that approach.

The Government response mentions the use of new technologies to communicate with protesters during protests. However, I understand from our discussions last week that attempts have been made to undermine the use of Bluetooth technology with bogus messages impersonating the police. We must try to find a way to use technology effectively to communicate with protesters, while at the same time making it clear that the messages must be kept secure. The technique is a good one, which should be disseminated among police services, but it obviously needs to be secure so that police officers are not impersonated over the airwaves.

Mr. Drew: There is a need for common sense, as my hon. Friend knows from his deep involvement in the matter. One of my constituents was accused of aggravated litter picking—I am not sure whether we yet have such an offence, but that was the level to which things descended, and it did no one any good. It did not do the police any good, because it led to more potential, if not real, violence.

Mr. Dismore: My hon. Friend makes a good point. I said earlier that the series of petty incidents have a cumulative effect, and that is an example.

The Committee also recommended that if there is a lack of trust between the police and protesters, there might be a role for independent mediators to facilitate communication. HMIC disagreed, arguing that that could reduce the incentive for police to communicate with protesters and other parties affected by protests, but I am not convinced of that.

Everyone agrees with the underpinning starting point and goal of no surprises—for the police, the protesters and the targets of the protest. But how can that be achieved if the police and protesters lack sufficient mutual trust to communicate effectively, or even at all? In Northern Ireland, where I understand the concept of no surprises first originated, a long, painstaking, but ultimately successful process to build trust and develop the no-surprises approach began with the use of intermediaries.

There is also a lack of a process for dealing with genuine disagreements—about timing or route, for example. The option of going to court to challenge a police decision is a non-option; it is impractical, due to legal costs and too long a time scale. A mediator from, say, HMIC could help to resolve such problems. I urge the Minister to take another look at that recommendation. We have heard about the Spanish system, which is an effective and quick way of resolving such disputes.

Several witnesses suggested that a disproportionate police response to protests was becoming more common, in terms of police numbers, uniform and equipment. The Campaign Against Arms Trade, for example, described "significant numbers" of police attending small vigils. It stated:

> "Most of the police sit in vans, not doing anything. Their presence in such numbers is...unnerving for protesters, as well as tying up a large amount of police time and resources."

The impact of officers fully kitted out in riot gear like "Star Wars" storm troopers inevitably highlights tension. It inevitably makes officers feel more aggressive and powerful, intimidates peaceful protesters, and, in itself, can lead to violence that might not otherwise occur. We all saw the images from the G20 of protesters, hands in the air, chanting, "This is not a riot," confronted by phalanxes of officers in full riot gear who adopted an aggressive stance—indeed, some hit protesters with the edges of their shields. None of that does anything for the image of our police service.

Obviously, we do not wish to see officers or protesters hurt, but the current methods may perversely lead to that outcome, as violence might be provoked rather than dampened down. There is a lot to be learned from Northern Ireland, where senior officers led by example in policing at the front in ordinary uniform. They proved that it could be done by taking a well-considered risk in trying to avoid confrontation. I particularly commend Assistant Chief Constable Duncan McCausland of the Police Service of Northern Ireland, whom we found very impressive.

Mr. David Ruffley (Bury St. Edmunds) (Con): If I read the hon. Gentleman correctly, he is suggesting that on the mainland, not in Northern Ireland, all riot situations should be policed by uniformed officers without riot gear. Is that correct?

Mr. Dismore: No, that is not what I am saying. My position on that will become clear later in my speech. In short, the real problem at present is that there is no gradation; we either have police officers in ordinary uniform or police officers in full riot gear. There is no gradual change up or down in the policing of demonstrations. We have complete escalation and very little de-escalation. I shall describe all that in a little more detail later.

I was commending Assistant Chief Constable McCausland of the PSNI, who very much embraces the approach I am describing and demonstrated it himself to his own officers. He wrote:

> "Human rights sit at the very heart of the conception, planning, execution and control of every aspect of the operations of the Police Service of Northern Ireland...Human rights is a critical benchmark by which the PSNI measures the impact of its actions."

Pre-emptive action—for example, to stop protesters reaching a target—was also criticised. All these issues are consistent with the concerns expressed by the HMIC about the need to reinforce the traditional British model of policing by consent, rather than drifting towards what it described as a paramilitary model that is more familiar overseas. I entirely share its view that an approachable, impartial and accountable style of policing by consent that is based on minimum force is preferable, and is more consistent with the human rights of those involved in protests.

Part of the problem is escalation. We see police in ordinary uniform or full riot gear—there is nothing in between to give tactical options for either a gradual increase in firmer policing, or, more importantly, for de-escalating from confrontation. HMIC called on the Home Office to "actively support" the traditional policing model based on the minimum use of force. I hope that the Minister will be able to reassure us that the Home Office fully shares HMIC's view.

The Committee also raised the issue of quasi-public spaces such as shopping malls, which the public would see as public spaces but are, in fact, privately owned

[Mr. Dismore]

property. This is a grey area. For example, how can we ensure respect for the rights of animal welfare activists who wish to protest outside a shop selling furs in a large, now private—formerly public—shopping area, or for the right of peaceful assembly by protesters who wish to use a council park? I saw that myself last year when a protest march against Conservative Barnet council's plan to axe sheltered accommodation wardens had to rally outside the council-owned park's gates because we were not allowed to go inside.

There can also be difficulty in differentiating quasi-public from private property. The Association of Electricity Producers strongly argued that private property such as power stations needs to be better protected from protest activity through new legislation. We were pleased to hear that the Government are working with ACPO to clarify issues around quasi-public spaces. I would be grateful if the Minister told us what work is being done on that and when we will hear more about it.

On policing proper, the police starting point seems to have been that any protest is almost certainly unlawful, to some degree. At the minimum, it will usually cause obstruction of the highway, for example. The problem is that the police, in some cases, assume that this unlawfulness should be prevented, per se, without balancing that unlawfulness with the corresponding rights to freedom of assembly and expression guaranteed by articles 10 and 11, as I mentioned earlier.

Police officers are trained to use their discretion when conducting ordinary police work—whether to arrest someone or just give them a telling off, for example—but that does not seem to apply in matters relating to demonstrations. The basic discretion of the police officer needs to be used better in policing protest. A good example of this was the Tamil protest last year. There was a lot of obstruction, but little trouble. That indication of a change of approach was welcome. Of course, that protest created great inconvenience, including to people in the House, but in the end it was dealt with fairly.

On the general legal policing framework, our main concern is that there are too many broadly defined powers available to the police that can be used to restrict protest unfairly and unnecessarily. In scrutinising legislation, we have often been critical of the Government for relying on the argument that broad powers are consistent with the Human Rights Act because all public authorities must act compatibly with it.

I will argue later that police training in human rights has clearly been inadequate. In addition, the Government's approach puts the onus on those whose rights have been infringed to pursue matters in the courts. This is the wrong way round; legislation should be drafted in precise terms to make the parameters of police powers clear, both to the police and the public.

Mr. Ruffley: What does the hon. Gentleman think the optimal amount of hours for training on human rights should be for police officers?

Mr. Dismore: The hon. Gentleman approaches the matter from the wrong direction. There is an assumption, in relation not only to policing, but to the public services in general, that human rights training is some compartmentalised thing that should be taught separately. That is the wrong approach.

Human rights training should be part of the ordinary training, instruction and education of anybody in public services. It should be a theme running through existing training and education, and should not be taught separately. If it is to have an impact it has to be in the right context. The context is where a particular issue arises. So when we talk about public order training, about which I will say a little more later, we should stress that human rights should not be taught separately from that, but should be part of it.

I should like to mention the abuse of counter-terrorism powers, which is of particular concern to our Committee. During our inquiry, the use of section 44 of the Terrorism Act 2000 was already subject to review because of widespread concerns that the power was being overused. Although there might be circumstances in which a protest could conceivably be used to mask a terrorist attack or be a target of terrorism, we received no evidence at all to suggest that that had happened or was even likely. In our view, counter-terrorism powers should not be used against peaceful protesters. That view was also expressed on a number of occasions by successive Ministers and senior police officers when appearing before the Committee. Nevertheless, section 44 was still being misused.

Last month, the European Court of Human Rights ruled in the Gillan case that the section 44 power was incompatible with the European convention. In that case, a protester and a journalist were stopped and searched outside an arms fair at the ExCeL centre. Neither could reasonably have been considered terrorists.

The Walter Wolfgang case is another example. I have known Walter Wolfgang for decades and I do not think that anyone could ever consider him to be, in any way, shape or form, a terrorist—*[Interruption.]* A bit of a nuisance, yes; but a terrorist, no.

The Government are appealing and I would be interested to know from the Minister what legal grounds there are for appeal and why she thinks the appeal might succeed. In my view, the appeal has little chance and she will need to reform the law when she returns to office after the election.

We also heard evidence that the new offence of taking and publishing a photograph of a police officer, under section 76 of the Counter-Terrorism Act 2008, is being abused. The offence is meant to relate to people committing or preparing an act of terrorism, but we have all heard examples of journalists and others being prevented from taking photographs of police officers or buildings and asked to hand over equipment, even though the current guidance makes clear that section 76 is

"not a public order tactic"

and does not prevent the legitimate taking of photos.

Harassing Japanese tourists taking photos of Parliament from across the river does little to enhance the image of the police or our country as a holiday destination. ACPO is agreeing new guidance with the National Union of Journalists. Perhaps the Minister will inform us about how the Home Office will monitor whether the new guidance proves effective.

Going beyond section 44, stop and search is also a key issue. Kent police have now admitted to misusing the PACE stop and search power in dealing with the Kingsnorth protest. Children as young as 11 were subject

to stop and search, and it is difficult to see what the grounds for "reasonable suspicion" might have been in those cases.

We heard numerous reports of personal data being recorded unnecessarily in an unlawful fishing expedition to gather intelligence about protesters' identities and we heard about items—ranging from a walking stick to a camp chair and including, most bizarrely of all, a clown suit—being confiscated from peaceful protesters. I find it hard to visualise a protester who has misbehaved successfully running away from the police, perhaps squirting water at a police officer from a fake flower buttonhole, wearing oversized giant clown shoes.

A similar abuse of power is the taking and retention of photographs. Last year, the Court of Appeal ruled that that was contrary to the Human Rights Act if the person photographed is not suspected of committing an offence. HMIC also raised concerns about the role of forward intelligence teams, which are increasingly used to photograph protesters.

All the cases that I have mentioned provide evidence that police forces are cavalier in their use of these broadly defined powers, with disregard of individuals' human rights as a consequence.

One of the most important legislative defects that we identified concerns the policing of protest around Parliament, a subject with which all hon. Members are familiar. When the Serious Organised Crime and Police Act 2005 was passed, it was intended to give teeth to the sessional resolutions passed in both Houses about maintaining access to the parliamentary estate at all times and to provide the police with the power to remove Brian Haw from Parliament square. It has manifestly failed on both counts.

Nevertheless, the 2005 Act succeeded in criminalising far too many peaceful protesters who refused to give advance notification of their protests to the police. That was counter-productive and disproportionate. It is not possible to force people to talk to the police and some who may otherwise have done so now refuse to do so under compulsion, on principle. This bad law led to confrontation and the criminalisation of peaceful protests.

The most notorious such case was that of Maya Evans and Milan Rai, who were prosecuted for reading aloud at the Cenotaph the names of British soldiers and Iraqi civilians killed during the conflict in Iraq. Moreover, the law was not applied consistently. The police had discretion if certain things were, in their view, a publicity stunt. For example, a gang of Tories dressed as Father Christmases with Gordon Brown masks was allowed to picket without notice at Downing street without being arrested. I suggest that the police got things the wrong way round. What those Tories did sounds far more like a demonstration to me than the reading out of the names, which sounds more like a publicity stunt to draw attention to the 2005 Act and its shortcomings.

Dr. Harris: The illegal war.

Mr. Dismore: Putting aside the question of the legality of the war altogether, the Tamil protest is another example. The police had to tolerate it because the protesters' tactics gave them little real operational choice. We recommended that the relevant clauses of the 2005 Act should be repealed and replaced with amendments to the 1986 Act intended to ensure that the police had powers to deal with anyone seriously impeding access to Parliament. We were pleased that the Government accepted this recommendation and introduced amendments to the 1986 Act in the Constitutional Reform and Governance Bill. We made some detailed comments on the Government's proposals in our report on the Bill and I tabled amendments on behalf of the Joint Committee to be debated during the Public Bill Committee. The Government also tabled amendments which specified the entrances to Parliament to which the police must maintain access and increased the area in which the new regime is planned to operate.

Although this issue has been extremely controversial outside Parliament and has been debated on numerous occasions inside the House in recent years, has been the subject of several Select Committee reports, and directly affects Members of Parliament and everyone else involved with this building, the programme motion prevented there being any debate whatsoever on the Government's new proposals or our amendments, or amendments tabled by other hon. Members in the Public Bill Committee. It is completely unacceptable for contentious legislation on such an important issue to be made in this way.

David Howarth: The hon. Gentleman makes a good point, especially in light of the fact that the Government previously explained their failure to make progress on the issue by saying that they needed time to ensure proper parliamentary scrutiny, which they then proceeded to prevent.

Mr. Dismore: The hon. Gentleman makes his point. I hope that the Minister will explain the rationale behind the amendments, because we had no explanation on the Floor of the House, and perhaps she will reassure us that time to debate these matters will be found on Report. Given that we are weeks away from Dissolution, is she confident that these provisions will reach the statute book before then?

Dr. Harris: The hon. Gentleman has drawn attention to a real problem to do with debating laws such as this: we do not have time to debate them and are not given the chance to do so on Report in the House of Commons. The Minister knows that this matter was dealt with in the Wright Committee report. The solution to this matter—it is within the scope of the issues that we are discussing—is to accept and support the recommendations of that Committee. The Minister should say that her job would be made easier if the powers that be allowed the House to debate fully and endorse those recommendations.

Mr. Dismore: I will not be drawn down that byway.

Mr. Ruffley: You should.

Mr. Dismore: Not today. The point is clear. When we talk about important provisions covering protests around Parliament, which go to the core of our democracy, it is not fair or appropriate to have no debate on the Floor of the House, or in Committee. That can be rectified on Report, and I hope that it will be. We spent a whole day in Committee arguing about ratification of treaties, which is an important matter, and the net result was that we had no time to deal with this matter, yet the debate went short the following day. It was bizarre that we could not debate it then.

[Mr. Dismore]

On police tactics and training, it is now generally accepted that public order training and guidance does not adequately take account of the human rights issues associated with policing. We were pleased to hear that ACPO guidance is being redrafted, that the Home Office is producing a code of practice and that there is to be specific training not just for officers in riot control, but—of equal, if not greater, importance—for police commanders at all levels. Command training is essential.

I agree with the general plea from the police that the guidance must be a workable, easy-to-use document with clear principles, not a telephone directory or a manual prescribing precisely for every conceivable circumstance. The police need discretion, but that discretion needs clear and user-friendly guidance if it is to work. The Home Office has talked of publishing guidance for consultation in the spring; perhaps the Minister will tell us how the election will affect that timetable, and assure us that time will be found for parliamentary engagement on this important issue.

On particular aspects of police practice, we yet again saw evidence during the G20 protests of some police officers not displaying their identification numbers, and refusing to identify themselves when asked. Identifying police officers is essential to ensure that they are accountable for their actions. We recommended that displaying identification numbers or providing identification on request should be a legal requirement for police officers. The Government's response was to agree with our view on the importance of police identification, but to maintain the current position that identification is a disciplinary rather than a legal matter. We remain unpersuaded. Making identification a legal requirement would send a strong signal to officers about the importance of this issue.

The Home Office suggested that failure to provide identification was a rare problem, and that may be so, but when it occurs, or is reported, it is in the most controversial and extreme circumstances, such as the fatal incident at G20 or the Countryside Alliance protest outside Parliament, going right back to the death of Blair Peach. Will the Minister provide us with some figures on the frequency of complaints and consequent disciplinary action on this issue, and update us on the long-awaited and now promised publication of the Cass report on the death of Blair Peach?

I have mentioned journalists on a number of occasions. Individual officers often seem to be unaware of the special position of journalists in reporting rather than participating in protests. I hope that the new guidance will tackle that problem better than the existing ACPO police-media guidelines. The NUJ said that they were

"useless because the police on the street do not know anything about them".

Journalists complain of police surveillance, denial of access to protests to report them, being pushed into demonstrations as protesters, which they are not, being refused permission to leave, being caught in the kettle and failure to recognise their press cards. They have been refused permission to photograph police officers under the erroneous interpretation of section 76 of the Counter-Terrorism Act 2008, which I previously described. Intensive media reporting is a challenge to the police, and we commented in our second report on how the media had talked up the prospect of violence at the G20 protests. The police need better media relationships and strategies for major protests, and a good start is to recognise the legitimate role of journalists in reporting them.

Finally, the containment tactic, kettling, has been the subject of much debate. We concluded, and were criticised for this, that it could be a useful tactic, but only if used proportionately, when absolutely necessary, and in accordance with human rights principles; for example, to stop violent protesters from dispersing through a city. So far, however, the tactic has been deployed without regard to the rights of contained individuals, who have included not just peaceful protesters, but bystanders, such as Ian Tomlinson, with fatal results.

At G20, we heard of a diabetic who was not released when he needed insulin. The carer of his 83-year-old mother was held in the kettle and not allowed to go. Someone with a broken arm was allowed out only unaccompanied. There were many other cases. We heard of the crowd being charged and pushed back by police, but with nowhere to go back to. The root of the problem seems to be that the police see the crowd as an amorphous mass of trouble, rather than as a gathering of individuals, each with his or her own separate human rights, and for whom different considerations may apply from person to person.

We share the views of the HMIC that police commanders must be trained to use containment flexibly as a crowd control tactic; there must be a strategy for releasing people who do not pose a threat of violence; and facilities such as water, toilets and medical assistance must be provided to those contained for several hours. I accept that that creates immense challenges for the police, so I would like to hear the Minister's view on how kettling can be operated while respecting individual rights.

Mr. Ruffley: Does the hon. Gentleman believe that word "kettling", which is in the public domain, is pejorative and not greatly to the police's advantage when they try to explain what they do? Does he agree that we should try to avoid that term of art?

Mr. Dismore: The hon. Gentleman will be aware that the police use the word "containment" and that protesters use the word "kettling". Part of the problem is communication and people using different language. It would be hard to persuade protesters to use the word "containment" instead of "kettling". If the hon. Gentleman reads my speech in *Hansard*, he will see that I have used both words, not quite 50:50, but not far short. I hope that my communication will get through to both sides.

In conclusion, the police have a difficult job in handling major public order incidents.

Dr. Harris: I am sorry that constituency work will not enable me to make a substantive contribution or hear the responses, but I want to draw the hon. Gentleman's attention to our recommendation on the Public Order Act 1986, which was to remove the provision on insulting from section 5, and leave it alone in section 4A to protect people from direct insult. Does he believe that it is important to make it clear to people that there is no right not to be offended, that free speech sometimes means that sensitive people will be offended, and that if

we allow people to make comments, for example, about gay people, if they are Christians, without the police coming up to them and questioning them, we must dilute the way in which the law operates at the moment? It is disappointing that the Government's response did not properly engage with the real problem or give good reasons for not proceeding along the lines that we have always suggested.

Mr. Dismore: The hon. Gentleman is a profound defender of the right of free speech, and he has made his point. The Government made some arguments in their response—for example, on people with disabilities—but having someone arrested for calling a police horse "gay" is ludicrous. Perhaps the police need better guidance, at the very least, on the use of law. The issue will continue to be debated, and needs to be.

The police have a difficult job in handling major public order incidents, often involving quick decisions aimed at protecting lives and property. By and large, they do an excellent job in balancing the competing rights of protesters, those protested against, journalists, bystanders and others, although as the G20 protests demonstrated individual protests can raise significant concerns.

We have aimed to assist the police by ensuring that they police protests in accordance with human rights. We are confident that the Government and the police now share our objective, based on a return to the British model of policing, including the minimum use of force. I believe that the police have already taken on board some of the lessons, based on the different approach to the climate camp last summer at Blackheath. We believe that the main issue is that the guidance and training available to police forces, commanders and officers have not taken sufficient account of human rights. Inconsistency between forces, some of which are ill-equipped to deal with major public order issues because of their small size, is also an issue. I hope that our successor Committee in the new Parliament will scrutinise action by the Government and ACPO to ensure that these problems are overcome.

Police accountability is also a major issue. Politicians should not influence operational decisions by police officers, but we were struck by the fact that clearly expressed ministerial views on how legislation, such as counter-terrorism powers, should be implemented did not appear to be influencing police action on the ground. A bigger role is being given to ACPO to ensure that police forces follow national guidance. We need to look closely at ACPO's developing role as a national policing agency and accountability mechanism, in what can be a specialist area of policing.

We have seen a clear commitment from the Government, ACPO, the police and all concerned to learn the lessons of what happened at G20 and earlier demonstrations. The real question is whether that commitment can be changed from a commitment in principle to different methods of policing when difficult demonstrations occur.

3.9 pm

David Howarth (Cambridge) (LD): As the hon. Members for Hendon (Mr. Dismore) and for Stroud (Mr. Drew) said, I have been directly involved in these issues for quite a long time. I should say right at the start that although I am still critical of the position that the police sometimes take, and of the positions that the Government often take, we have come a long way in the past few months.

It was entirely clear from my visits to the Heathrow climate camp, and subsequently from reports of what happened at Kingsnorth, that the police had immensely abused powers such as that to stop and search and that their intention was to disrupt the protests, rather than to maintain public order. There were also some rather extraordinary claims at Kingsnorth, with the police claiming through Ministers that injuries had been caused—the implication being that the protest had been violent and that the protesters had caused the injuries. It turned out that the injuries were health and safety problems and that police officers had injured themselves getting in and out of their cars, had suffered from toothache or, in one notorious incident, had been stung by a possible wasp.

Dr. Harris: A possible wasp?

David Howarth: Yes, I have always wondered what an impossible wasp would be.

Although the situation has now moved on, things did not improve to begin with. The hon. Member for Hendon said that I was involved in trying to bring the protesters and the police together for a meeting the day before the Bishopsgate climate camp. The climate camp was entirely peaceful, and the disorder broke out at a different demonstration, near the Bank of England. The demonstration at Bishopsgate remained entirely peaceful for a long time, and there was no serious police intervention until 7 o'clock, when the police suddenly surrounded the demonstration and pushed the demonstrators back. Eventually, after about 11 o'clock, the police threw themselves into an operation that basically involved violently breaking up the demonstration, even though people had shown no violent intent all day. In fact, for most of the day, the demonstration had looked like a festival, with songs, dancing, seminars and food stalls.

What most disturbed me was my phone conversation with a senior Metropolitan police commander at 11 o'clock. I asked, "What are you doing? Why are you following this tactic?" and he replied that section 14 of the Public Order Act 1986 had been invoked, on the grounds not that there was violent disorder or serious damage to property, but solely because there had been serious disruption to the life of the community. The question then is what that disruption was. Why did the disruption suddenly start in the evening? What is more, we are talking about the City of London, where, as everyone knows, nothing much happens after business closes.

As the hon. Member for Hendon said, the police attitude seemed to be that any demonstration on the street was technically illegal and technically disruptive because it was technically obstructing the highway. That, apparently, justified any action, no matter how disproportionate, to break up the demonstration. It was entirely over the top; it was not just unnecessary, but dangerous. The lives and limbs of the demonstrators, and indeed some police officers, were put at risk simply to clear the streets, as if that was a justification. However, we have moved on.

Mr. Ruffley: Will the hon. Gentleman give way?

David Howarth: May I just finish the point? I do not want to break off without saying what the improvements have been.

First, we have had the report from Her Majesty's inspectorate of constabulary, which clearly moves in the direction of saying that the right to peaceful protest—not technically lawful protest—should lie at the heart of the police approach. That is an enormous and important advance on the part of the police.

Secondly, we had the Tamils' demonstration, which was policed in an entirely different way. Of course, it could be argued that it would have been unreasonable and dangerous to have policed it in any other way in the circumstances, but lessons had nevertheless been learned.

Finally, we had the Blackheath climate camp, which has not been mentioned—*[Interruption.]* I apologise to the hon. Member for Hendon if he did mention it. The attitude of the police there was very different, and communication between them and the protesters was much better. Although there were still points of tension, what happened at Blackheath was a vast improvement over what had happened at Bishopsgate and Kingsnorth.

I shall give way to the hon. Member for Bury St. Edmunds (Mr. Ruffley) if he still wishes to intervene.

Mr. Ruffley: The hon. Gentleman has answered my question.

David Howarth: On the Committee's report, there are still points at issue between the Government and the Committee. The hon. Member for Hendon was right to start and end with the communication and dialogue between the police and the protesters. I am not sure about the police, but the Government have not quite grasped the importance of communication in defusing situations and in reminding both sides why they are there. The protesters want to protest, and the police want to ensure that the protest does not become disorderly or violent. If the two sides stay in communication, they will remember that, rather than getting into a conflict about the process, about who said what and about the policing itself.

I return to the meeting that I organised between the police and the climate camp protesters on 31 March last year. The police seemed unwilling to engage directly with the protesters, while the protesters were reticent about telling the police their plans. The Committee rightly picked up on the unwillingness on both sides to communicate, but it has not quite picked up on the reason why the protesters were unwilling to communicate their plans to the police.

That unwillingness came from the protesters' previous experience, particularly at the Heathrow climate camp, where they believed that the police had tried to disrupt the protest once they became aware of the protesters' plans. For example, the protesters believed that the police attempted to persuade landowners in the area not to allow protests on their land, even though the protesters were trying to go about their business of protesting in a lawful way by asking for permission.

That is the key point. The lack of trust that built up over the years between the protesters and the police caused the protesters' reticence about talking to the police. That reticence is still there because of that lack of trust. The situation is very brittle and fragile. Given where we are, it would be easy for the progress that we have made to be undermined by a further breakdown in trust as a result of other incidents. Examples include the pre-emptive action by the police at Ratcliffe power station and the use of pre-charge bail conditions against both protesters there and protesters who came into this building. That appeared to be an attempt to make it unlawful for protesters to organise protests or to communicate with one another.

Documents in which ACPO issues guidance and includes environmental protesters in a list of terrorists have also come into the public domain. Such instances tend to undermine the degree of trust that is slowly being built up between peaceful protesters and the authorities. I urge the Government to bear that in mind in dealing with policy. If communication starts to break down again, the whole thing will go into reverse, regardless of what the reports say. Reports are one thing; practice on the ground is another.

I should mention in passing that I agree with the Committee on the need to review the status of ACPO. One of the themes of my life last year was coming up against ACPO over and over again, as if it were not just a regulator of the police and a kind of alternative inspectorate, but a kind of legislator. ACPO policy seems to have the same force within the police as secondary legislation.

We need to get a grip on ACPO and its various subsidiary agencies, which deal with domestic extremism. At the very least, we need to subject it to the Freedom of Information Act and treat it as a public authority, to go back to another of the themes of the hon. Member for Hendon. Ultimately, we should say that if it is to be a sort of national policing body, it needs a national-level accountability mechanism.

Dr. Harris: I think that it is true that ACPO has never responded to the Government by saying, "No, we don't need this law," and I do not think that the Government have ever said they disagreed with ACPO about whether a law was needed. That is part of the problem. ACPO is a natural lobby, and it should be treated as merely a lobby; it lobbies Governments for the police to have as many powers as possible, and Governments seem very willing to give them those powers.

David Howarth: Obviously, we must listen to the police when they talk about what powers they feel they need, but we must go back to what the hon. Member for Hendon said, which I think my hon. Friend agrees with, about the key point being that the powers should be narrowly drawn. They should not be over-broad, and should be specific to the need. We should not rely on the rather odd argument that the police can be given sweeping powers—but that it would be unlawful for them to use them contrary to the Human Rights Act 1998, and therefore it does not really matter that they are sweeping.

Mr. Ruffley: The hon. Gentleman is developing an interesting argument, as always. Am I right to suppose that he thinks that the tripartite structure of British policing should be radically redrawn, given his concerns about ACPO?

David Howarth: I am sure that what we do not need is a system of directly elected sheriffs, which would mean that we were in great danger of breaking up something very important in our constitutional policing structure—the fact that operational decisions about who should or should not be arrested remain with police offers and are never influenced directly by politicians. The issue that I am raising at the moment is about what happens to the anomalous national bodies that do not fit, and never will fit, into the existing structure. We need something specific to deal with them.

Mr. Dismore: I agree with the hon. Gentleman, who is developing a theme from my report. It is bizarre that ACPO should be a limited liability company; presumably, it is required to file accounts at Companies House as an annual report but not to give an annual report to Parliament. Perhaps there should be a statutory body that would report annually to Parliament about its activities.

Personally, I have a lot of confidence in ACPO's new head, Sir Hugh Orde, whom I met when he was the Chief Constable of the Police Service of Northern Ireland. He has a forward-looking approach to many of the relevant issues.

David Howarth: Yes; I agree on both those points. The appointment of Sir Hugh Orde is an excellent one, and I look forward to a great deal of progress under his leadership.

The hon. Member for Hendon mentioned kettling—or containment, depending on which side of the issue one is on. One of the areas of most concern is a police tactic that I think can legitimately be called kettling. It happens when containment is pushed in on the demonstrators. The demonstration is contained in a smaller and smaller area; that raises the pressure and the temperature, and it is kettling.

Throughout the debates on the issue—and the hon. Member for Hendon may be right about there being exceptional circumstances in which containment is necessary to prevent further harm—that aspect of the tactic has never been properly explained. I have seen it, and have seen film of it, and it seems inexplicable to me. It always leads to more trouble and raises the temperature. It always increases the risks for all concerned.

As for media reporting, the Committee came to the conclusion that although accounts of the run-up to the G20, for example, included a good deal of ramping up of the expectation of violence, that was largely down to the activities of the media and not the police. However, the problem was that the police did not take the opportunity to reduce the temperature. It was being raised by the media, but what was the police response? I have still not seen a satisfactory answer from the Government, or from the police via the Government, to the Committee's point about that. It seemed very specific to me: the media strategy of the police should be aimed at calming everything down, and taking active steps to do so.

Will the Minister confirm that the Government's position, which seems to be the same as the police position, is that current regulations on police numerals are sufficient, because under those regulations it is already a disciplinary matter not to wear them? If so, that does not seem adequate, because we know that the current regulations have been ineffective at making sure that police officers wear their numerals clearly when on duty at demonstrations. Behind the issue is culture, and its somehow being acceptable for police officers on duty at demonstrations to be what someone called a designated hitter, with the job of applying violent methods so that they are hidden and unattributable. I think that that lies behind the numerals issue, and we need to address it.

The Committee rightly raised the question of protests around Parliament, and further legislative action is being taken in the Constitutional Reform and Governance Bill—to which we shall return on Report, so I do not want to say much about the matter now. The Committee was rightly concerned; not only had the previous powers been removed, but new ones, which were vague, unclear and possibly very broad, had been introduced.

I would go further than the Committee. First, there is an argument that all the powers already exist to ensure that there is access to Parliament. Section 14 of the Public Order Act 1986 and all the legislation about demonstrations already give the police sufficient power to do what we want them to. Even if that is not the case, the only gap is specifically about what the police can do when access has been blocked. However, the new version that has been passed in the Serious Organised Crime and Police Act 2005, which we should revisit, seems to keep the regulation in place in advance of any trouble. That is still prior restraint of demonstrations and assemblies. I fail to see the justification for having extra prior restraint around Parliament, as opposed to extra powers to clear the way and ensure that Members of Parliament can get into the building.

The most disturbing aspect of all incidents such as the climate change camp and other demonstrations, and the confrontation between the police and demonstrators, has been the excessive use of counter-terrorism powers against those demonstrators. I do not deny that there has been progress, but I was disturbed to hear what the hon. Member for Hendon said about the Government's response to the Gillan case. This is about the abuse of stop-and-search powers. More than that, it is about whether it is legitimate at all to have stop-and-search powers that can be exercised without any reason or underlying evidence, but merely on a hunch. The Court was absolutely clear on that. Its conclusion was that section 44 is not an adequate law because it does not give people sufficient advance knowledge or warning about what the powers of the police are, and when they will be used. It gives the police a vast opportunity to act arbitrarily.

Paragraph 84 of the judgment says that

"the Court is struck by the statistical and other evidence showing the extent to which resort is had by police officers to the powers of stop and search under section 44 of the Act. The Ministry of Justice recorded a total of 33,177 searches in 2004/5, 44,545 in 2005/6, 37,000 in 2006/7 and 117,278 in 2007/8...In his Report into the operation of the Act in 2007, Lord Carlile noted that while arrests for other crimes had followed searches under section 44, none of the many thousands of searches"

we are getting up to half a million—

"had ever related to a terrorism offence; in his 2008 Report Lord Carlile noted that examples of poor and unnecessary use of section 44 abounded".

Mr. Dismore: My understanding is that one of those who was stopped under section 44 was Admiral Lord West of Spithead, who is a Government security Minister. I hope that he would not be suspected of any terrorist activity.

David Howarth: One would hope not. The point is that the Court struck down section 44 on its face—not as it was applied, not given the circumstances of the case and how it was operated, but on its face. That seems to be a very clear judgment, and I would be fascinated—perhaps horrified—to learn of the Government's reasons for appealing against that judgment.

I will finish with a couple of other matters. The hon. Member for Hendon was right to draw attention to the potential for the use of civil injunctions in preventing protest. It appears that around the time of the Kingsnorth protest the Kent police encouraged the power companies concerned to use civil injunctions as a way of preventing that protest from going ahead or being effective.

The Government's response seems to be entirely inadequate. As the hon. Gentleman says, special procedures are already in place for certain sorts of circumstances where injunctions are applied for without notice, or only on one side. It would be entirely practical to extend that procedure as the most minimal of safeguards against prior restraint of demonstrations and free speech, to any circumstance in which article 10 or article 11 rights are engaged. This is not about disagreeing with the Government—I simply cannot understand their objections to doing that.

My hon. Friend the Member for Oxford, West and Abingdon (Dr. Harris) mentioned section 5 of the Public Order Act 1986. I agree with him. The present offence under section 5 is one of negligence. One could be found guilty of a crime for insulting someone in circumstances where it is likely that someone would be distressed. There are various defences, but that is basically the offence. My hon. Friend, and the Committee, do not suggest that the rather more serious offence in section 4A of intentionally causing that distress should be changed, but section 5 seems to be an example of an over-broad criminal offence that should be reviewed. As my hon. Friend says, one important aspect is the fundamental idea about whether we have a right not to be offended. I do not think that we have such a right. People take offence at all sorts of things, often in political arguments. If free speech is about anything, it is about the right to make political points that other people find offensive.

Finally, I want to refer to what the report says about the forward intelligence teams that the police use at demonstrations, especially when they photograph demonstrators. I have been photographed on demonstrations several times. One demonstration was on the middle east, and the other was about student fees in Cambridge. That was such a quiet and civilised demonstration that it did not even leave the pavement. People walked quietly from the Guildhall in Cambridge to one of the open spaces where, on the other side of the road, police officers with long lenses were photographing us all as if we were some kind of public menace. Perhaps we were a public menace, but we were not doing anything at the time to suggest that.

When challenged, the police said, "Well, it was possible that you might be committing a criminal offence". We could not work out what the criminal offence was, but all of us on that demonstration were immediately suspects, simply because we disagreed with a Government policy. That is the basis of the Wood case and it is why that case went against the Government. That sort of activity is designed to intimidate and to undermine people's desire to protest. If we cannot sort out that issue, and the underlying attitude of the authorities that assumes that there is something wrong with people just because they are protesters, we will never be in a position to say that we fully accept and respect the right to protest.

3.37 pm

Mr. David Ruffley (Bury St. Edmunds) (Con): We have already had a forensically interesting debate and I will start my remarks by highlighting, unambiguously, the excellent work that police officers perform week in, week out, month in, month out, policing protests and events of all kinds. Even at the G20 protests, where the news was dominated by some tragic incidents, we should remember that more than 35,000 protesters demonstrated in London, requiring [illegible],000 police officer shifts. Despite the scale of the disruption, businesses in the City reported minor damage and non-protesters were certainly able to go about their lives with little or no major disruption of any kind. However, the Opposition believe that it is right that when serious public order incidents occur, a thorough investigation should and must be conducted by the Home Office, or in particular by the Independent Police Complaints Commission or Her Majesty's inspectorate of constabulary. If appropriate, action should be taken.

Following the G20 protests and other high-profile events referred to, such as the protests at Kingsnorth power station, there has been considerable scrutiny of how we go about policing events. Last June, the Select Committee on Home Affairs published its report, "Policing of the G20 Protests". The Government published their interim response to that report on 24 October and their final response on 15 December.

HMIC conducted its own investigation on the way in which protests are policed. Its interesting report, "Adapting to Protest—Nurturing the British Model of Policing", was published on 24 November. HMIC's review of the policing of protests found that there were an inadequate number of trained public order commanders. Its report found that 16 to 22 per cent. of forces feel unable to provide a minimal ACPO or National Policing Improvement Agency-accredited command structure for policing events.

My understanding is that a normal command structure on average would consist of two advanced public order commanders—gold or silver commanders—and two initial commanders, known as bronze commanders. The report found that there were less than adequately trained public order commanders in charge of operations in major forces, including the Greater Manchester police and the West Midlands police. Can the Minister confirm what her view is on that evidence and what action her Department has undertaken to remedy that alleged shortfall?

In respect of rank-and-file officers, HMIC found that 22,500 officers in England, Wales and Northern Ireland are trained to level 2 out of the three tiers of public order operational effectiveness. Level 2 is the standard level in the use of public order skills, tactics and equipment. The proportion of officers in forces trained to level 2 across England and Wales is, on average, just over 15 per cent., but the figures vary across force areas, from 8.7 per cent. in the South Wales police to 39 per cent. in Northumbria. Obviously, part of that difference

reflects the challenges that the different forces face geographically. Some areas, and particularly metropolitan forces, will have more large-scale events and will as a consequence train more officers to deal with them. I would be grateful if the Minister confirmed that the Home Office has assessed or will assess the number of officers in each force trained to level 2 for public order policing. If she and her Department are not doing that, what information does she have on it?

HMIC acknowledged the very significant cost of public order training. No sensible political party could ignore the fact that public order training is important, but a price tag is attached to it. HMIC says that police officers do not need more training, but that the existing training needs to be

"smarter—more directed, more focused and more relevant".

Will the Minister comment on what information she has in that regard?

One of HMIC's recommendations is for the service to adopt a set of fundamental principles on police officers' use of force that runs through all aspects of policing. Will the Minister elucidate on what she understands is the core set of fundamental principles on police officers' use of force? Is that something that ACPO is advising her on, and implementing and directing? Is it something that the Home Office is doing, or the NPIA, or who?

The ACPO lead for uniformed operations has already said that he will lead the work to codify public order guidance to ensure that the police

"have very high standards of compliance with the recommendations and to make sure that we embed some of the new thinking about public order and new training programmes."

Can the Minister elucidate on what stage that work has reached, what she might be able to publish and what she might be able to explain here today?

Clearly, it is of the utmost importance that the work be completed as expeditiously as possible to ensure that the changes in guidance and their implementation are embedded. There a simple reason for that: whoever is in government, we have the Olympics coming up in 2012, which will undoubtedly provide a severe, stern and serious test of policing capability in respect of public order offences. It is essential that our officers have had time to take on board any changes that have been suggested, quite properly, in the past 12 months, so that those changes can bed in and so that everyone—public and police, as well as Government—understands exactly what the score is. We also need the necessary resources to ensure that the adequate level of training is achieved. I shall be charitable to the Minister today—we all understand the tight constraints on any public service budget, and the Home Office budget is what it is—but, on training, we need to get more bang for our buck, whomever the Minister happens to be at the time. Clearly, that is not a matter for a Minister in an office in Whitehall to direct for 40-odd forces, but we do need a slightly better understanding than we have at the moment of what the guidance is and who is driving it through and ensuring delivery, with the main thing in mind being the 2012 Olympics.

I shall move on briefly to the powers under section 44 of the Terrorism Act 2000. The Opposition agree with the part of the report dedicated to the use of section 43, 44 and 45 terrorism powers in policing protests. Those provisions should be there; they do not need to be repealed. Section 43 allows the search of a person whom an officer reasonably suspects to be a terrorist. Section 44 authorises an officer to carry out the search. Section 45 confers on an officer the power to search, whether or not they have grounds for suspecting that a person has articles that could be used in connection with terrorism.

In 2008-09, there were 256,026 stops and searches under section 44. That was a 36 per cent. increase on 2008. A further 1,643 stops and searches were carried out by the Metropolitan Police Service in 2008-09 under the powers in section 43. The report by the Joint Committee on Human Rights stated:

"Counter-terrorism powers should never be used against peaceful protestors: the Government's guidance on stop and search powers in Section 44 of the Terrorism Act 2000 should make this clear."

Would the Minister like to add to that proposition, which has already been raised by the hon. Member for Hendon (Mr. Dismore) and which I am raising again now?

David Howarth: Does the hon. Gentleman not find the court's finding at least a little disturbing? Of the tens—nearly hundreds—of thousands of searches made under section 44, in no case had anyone been arrested for a terrorist offence. Does that not show that the powers are being used not for that purpose but for a whole range of other purposes?

Mr. Ruffley: Anecdotally, the hon. Gentleman may be right, but he has also made a point about legal cases. I look forward to the Minister clarifying that rather important matter.

Mr. Dismore: There is no argument about section 43, which allows for stop and search on grounds of reasonable suspicion; it is fine. The problem with section 44 is that no reason is needed for such searches. I recently discussed the matter with the borough commander in my area, and I discovered that half a dozen sites in my constituency are classified as section 44 sites. I find it remarkable that they should be considered terrorist targets, never mind that they should be subject to section 44 search powers.

The real problem is the over-broad nature of section 44. Nobody objects to section 43 powers being used if there are grounds for suspecting someone of engaging in terrorist activity. It is not a problem. The difficulty is that, with a quarter of a million people—I think that that was the figure—being stopped under section 44 as opposed to being stopped under section 1 or section 60, when people can be stopped with cause, the powers of section 44 have been misused but without detecting a single terrorist.

Mr. Ruffley: I am grateful to the hon. Gentleman for that intervention. He spoke of the powers being misused. It is incumbent on the Minister to say whether that is an appropriate description. We wait to hear from her. The argument is certainly being kicked around the block. I make no judgment on that, but I am sure that the Minister will have a pretty much definitive view on what action, if any, she thinks might need to be taken.

Section 5 of the Public Order Act 1986 gives officers discretion to arrest individuals who use

"threatening, abusive or insulting words or behaviour"

in certain circumstances. The Joint Committee on Human Rights expressed its concern that criminalising people

[Mr. David Ruffley]

for using insulting words or behaviour might stifle freedom of expression. It recommended that "insulting" should be deleted from the 1986 Act.

I understand that the Government agreed to discuss the matter further with ACPO, the Ministry of Justice and other relevant parties. I believe that the Independent Police Complaints Commission has offered its support for the proposal. Will the Minister tell the House what conclusion has been reached by the Home Office? Have the Government accepted the idea of legislative change?

Others have referred to quasi-public space. Concern has been expressed that although areas such as shopping centres are privately owned, they constitute quasi-public spaces. The Government acknowledge that, and have indicated that they would hold further discussions with local authorities and related bodies. Will the Minister update us on that question? It would be a useful clarification.

I turn to the taking and retention of photographs. We are all aware of the Court of Appeal judgement of 21 May 2009. It found in favour of a campaigner who had taken photos of an arms trade meeting—photos that were subsequently confiscated by the police. On 30 June 2009, the Minister for Crime, Policing and Counter Terrorism wrote to the Joint Committee on Human Rights to inform it of the implication of the Wood judgment. He said that all police forces needed to review their policies and procedures. What role is the Home Office taking in providing further guidance on that point? If guidance is not being provided directly by the Minister's team, what steps is she taking to oversee the clarification about such photography?

David Howarth: I note that, like me, the hon. Gentleman is going through the report to find differences between the Government and the Committee. Unless I missed something, he seemed to slip over the question of civil injunctions. What is his view of reform in that area? Does he believe that reform is necessary? In particular, does he believe that there should be special protection against injunctions without notice for those taking part in protests?

Mr. Ruffley: May I ask the hon. Gentleman for clarification? He mentioned civil injunctions, but in respect of what particular activity?

David Howarth: I refer to the section in the Committee's final report about civil injunctions, in which the Committee questioned the Government on whether the civil procedure rules should be reformed, so that in instances such as the Radley Lakes case, protesters who end up being enjoined by the court at the instance of landowners should have notice of those motions for injunctions before they are imposed.

Mr. Ruffley: That is an interesting legal point. I have a tired Cambridge legal brain, which goes back 25 years; the hon. Gentleman is much more up to date. I do not know the answer. If I add my weight to the hon. Gentleman's question, I hope that the Minister will respond to it.

The Committee's report offers a thorough and most interesting analysis of the politics and policy behind policing protests. I look forward to the Minister's views on some of the non-partisan points raised with distinction by all sides.

I end with an entreaty to those who read or hear about today's debate. At the end of the day, although brickbats and abuse are thrown at the police if they breach the law—if individual officers overstep the mark—we have to set that in context. The vast majority of police officers who engage in public order policing behave impeccably and with courtesy and fair-mindedness, and they apply the law to the letter. We should not let press reports or anything emanating from the House suggest otherwise. Those who transgress are in a minority. Everyone who believes that policing is crucial to the way we live, and that it helps to secure life and limb and to defend homes, families and streets, must remember that although there may be alleged transgressions, they are few.

3.59 pm

The Parliamentary Under-Secretary of State for the Home Department (Meg Hillier): It is a pleasure to serve under your chairmanship, Mr. Streeter. I congratulate my hon. Friend the Member for Hendon (Mr. Dismore) on the work carried out by the Joint Committee on Human Rights in respect of policing and protest and particularly on the Committee's deft ability to produce a report and still take account of an event that took place a day or two after it was published.

We heard that the Committee took written and oral evidence from a wide range of witnesses and examined the way in which protests are policed in a number of other countries. That detailed evidence gathering is reflected in the tenor of the report.

Some Ministers may find scrutiny uncomfortable, but it is an essential process, especially in the area of policing. If the police service and the Government are to learn lessons, particularly when things go wrong, we should not be afraid of scrutiny. Personally, I welcome it, and I know that my right hon. Friend the Minister for Policing, Crime and Counter-Terrorism does too. He and my hon. Friend the Member for Tynemouth (Mr. Campbell), the Under-Secretary of State, give their apologies for not being here today. They are busy in Committee.

The management of House of Commons business, which was raised by some Members, is a matter for the usual channels; the Home Office has less power in that regard than we do as individual Members. None the less, I am confident that there will be time to debate in that Bill some of the other matters that were raised today.

How officers police protests is hugely important, and the issue has attracted considerable interest in recent months. As the hon. Member for Bury St. Edmunds (Mr. Ruffley) said, in the vast majority of cases the police get it right. None the less, all it takes is one wrong move for the public, understandably, to lose confidence. When the public lose confidence in the police, it can undermine the British policing model, which is built on the principles of policing by consent and community policing. We have seen such principles amplified in our approach to neighbourhood policing, in which police officers are very much embedded in the community, rather than appearing only when a crime is committed.

Such an approach should not be different when it comes to policing protests. We have a close communicative approach to policing protests rather than the distance approach that is seen in some other countries. I know

that my right hon. Friend the Minister and my hon. Friend the Under-Secretary would back me very firmly in my view that we have the best police service in the world. We must nurture it.

As the Committee will be aware from the letter of 13 January, my right hon. Friend the Minister welcomed the Joint Committee's report on behalf of the Government, as well as the other reviews that have been published on this issue in the past year. Our response to the Committee's recommendations is based on the HMIC report, "Adapting to Protest: Nurturing the British Model of Policing". That title sums up the sentiment at the core of the Home Office's attitude to policing. The report was published last November, and the Government's position on the policing of protests was set out in the White Paper "Protecting the Public: Supporting the Police to Succeed", which was published in December.

As we said in the White Paper, the public have the right to expect the highest standards of policing, and we have to support every officer in delivering those high standards. None the less, it is important to put the policing of protests into a proper context. The overwhelming majority of officers do a professional job in what can be testing circumstances. Examples of good practice include the sensitive policing of the Tamil protests around Parliament. Difficult challenges were presented by the English Defence League demonstrations, which saw thousands of people gathering in some of our cities.

As the Government made clear in the White Paper, we welcome the HMIC report as a major contribution to the future direction of the policing of protests. We are committed to working with the police and others to ensure that the recommendations are properly acted on.

The White Paper endorses the values championed by the HMIC review and reaffirms the key principles of the British policing model. As I have said, community policing and policing by consent underpin the policing of protests as well as our general approach to policing. We agree with the Joint Committee that human rights awareness must be a core part of policing protest. A human rights-based approach, however, is not a soft option; it does not mean anything-goes policing. It upholds our democratic principles, supporting the founding tenets of British policing and, crucially, providing a practical framework for the police to resolve any areas of conflict.

Mr. Dismore: The Minister is right to say that human rights policing is not anything-goes policing. Evidence from Northern Ireland shows that lethal force can be used in a human rights context if it is used with proper safeguards.

Meg Hillier: I take this opportunity to echo the comments of my hon. Friend and to praise the progress that has been made on policing in very challenging circumstances in Northern Ireland. We recognise that in the Home Office, and it was certainly reflected in the Committee's report.

The Government believe that we must start from the position of supporting those who want to exercise their right to peaceful protest. None the less, those seeking to exercise it must act responsibly and look to work constructively with the police. The public can expect some disruption and inconvenience as a consequence of the state's upholding the rights of protest. That is the hallmark of an open and democratic society. We agree with the Joint Committee that the policing of protest must be founded on good communication and dialogue between the police and protest groups, drawing on community-style policing, which is the foundation of what we do. It is key to a no-surprises policing policy.

The Government are not saying that protests will be unfettered. If, for example, there is a threat of serious public disorder, the Public Order Act 1986 specifically allows the police to intervene and impose conditions on protests to prevent serious public disorder, serious disruption to the life of the community and serious damage. That is based on a senior officer's reasonable belief, taking into account the particular circumstances.

It is very clear that we need to ensure that such a decision is made at an operational level—by that, I mean at the time and on the judgment of a professional police officer. The 1986 Act needs to be read against the Human Rights Act 1998 whenever the police consider using their powers in such a way. Clearly, the police must have guidance and training. The principles also provide clarity on issues that continue to raise legitimate concerns, such as the proportionate and appropriate use of police stop-and-search powers; the use of force; the application of containment; how police and protesters can improve their communication with one another; how chief constables can ensure that officers in uniform are clearly identifiable at all times to the public whom they serve; and what images and data on protesters the police can gather and retain. I will touch on the points raised by hon. Members in a moment.

ACPO and the National Policing Improvement Agency are already well on the way to updating guidance and training. As the HMIC makes clear, it is all very well providing guidance and training, but the guidance and training need to be targeted, practical and informed by front-line officers who are facing the public.

Transparency is key to building confidence and to working towards a no-surprises policing policy. Given the national public order and interoperability challenges, forces across the country need to use and comply with guidance and training. We often have situations in which police are moved from one force area to another to police a protest. If they work under different guidelines or have a different approach, that could cause great difficulty and mean that they were not doing their job so well. It is important that we have some consistency across the 43 forces in England and Wales.

We agree with the HMIC recommendation that a Home Office code of practice is the way to achieve that consistency, and we are working with the police service to develop a code that supports common standards and gets the right balance in minimising bureaucracy and respecting key elements of the British policing model—operational independence, officer discretion, local innovation and political neutrality.

I have listened very carefully to the points that have been raised, and I am delighted to be able to answer them. Unusually, I have time to do so; I do not think that I have ever been in Westminster Hall when I have had time properly to answer the points raised. I hope to cover everything that has been raised today.

My hon. Friend the Member for Hendon raised a number of issues, particularly about stop-and-search, section 44 of the Terrorism Act 2000 and photography.

[Meg Hillier]

The hon. Member for Bury St. Edmunds talked very supportively about the hard work that our police do, and the hon. Member for Cambridge (David Howarth) raised other concerns that I will address later.

I hope that in my first comments I addressed the concern of the hon. Member for Bury St. Edmunds about the core principles. Proportionality, legality and necessity are the principles behind the policing of protests. ACPO, the NPIA and the Home Office all have a role to play in ensuring that our police on the ground have the guidance and practical support that they need to act in that way.

Mr. Dismore: The Minister is right, but what she is talking about are the restrictions on protests; the restrictions have to be necessary and proportionate. Will she also confirm that articles 10 and 11 are the key human rights principles here—that they guarantee the right to protest and that there is a duty to facilitate that right?

Meg Hillier: I can confirm that and I will go into more detail on that when I address those issues.

My hon. Friend the Member for Stroud (Mr. Drew) raised a concern about photography. I know that that is a sensitive area; as a constituency MP, I have had to deal with that issue in relation to a particular constituent. We know that photography can be a valuable intelligence-gathering tool. Of course, it works both ways—there are the photographs taken of protesters by the police and then there is the section 44 issue. However, photographs taken by the police can be a valuable intelligence-gathering tool, which allows officers to build up a clear picture of who is involved in planning and organising any criminal behaviour. It can also provide the police with valuable evidence.

The use of photography raises human rights issues. The courts have recently considered whether the taking and retention of photographs is compatible with the right to private life protected by article 8 of the European convention on human rights. The decision to retain images is a matter for individual police forces, informed by the legislative framework set out in the ECHR and the Data Protection Act 1998. The Home Office code of practice on the management of police information sets out the key principles to be followed in the retention of police data.

In line with HMIC's recommendation, we intend to clarify that legal framework for the use of overt photography by the police during public order operations. In producing detailed advice on this area, we shall be drawing on the summary of the ECHR implications of the Wood case in HMIC's report, the advice sought by ACPO and the Metropolitan police service's revised standard operating procedure on overt filming. We are holding "train the trainers" events to raise awareness and understanding of human rights issues for those who deliver command training across the police service.

My hon. Friend the Member for Hendon and the hon. Members for Bury St. Edmunds and for Cambridge mentioned our relations with journalists and the media. We are looking at media best practice with the Society of Editors and the National Union of Journalists; indeed, that best practice has now been finalised. Furthermore, the profile of the UK press card will be raised throughout police forces, and forces are now building the role of journalists into their training scenarios to increase awareness among front-line officers. As a former journalist myself, I am certainly very pleased that we are making it clear to police officers that journalists have a legitimate and proper role to play in covering protests and related issues, and that that role is separate from that of protesters. Crucially, as HMIC recognises, awareness-raising is already being translated into action.

My hon. Friend the Member for Hendon and the hon. Member for Oxford, West and Abingdon (Dr. Harris) both raised issues about injunctions against protesters; I think that the hon. Member for Cambridge touched on those issues too. Unfortunately, the hon. Member for Oxford, West and Abingdon is no longer in his seat, but he can read my comments in *Hansard* tomorrow.

As we said in our response to the Joint Committee, we consider that the civil procedure rules provide sufficient safeguards to ensure that those who are the subject of injunctions have the opportunity to make representations. We are not convinced of the need to amend the civil procedure rules and we believe that the Civil Procedure Rules Committee, which considers changes, would be unlikely to be convinced about the need for change on the basis of what appears to be an isolated case.

Mr. Dismore: I do not think that it is an isolated case—that is the problem. Indeed, the BBC produced a programme about this issue of injunctions in the middle of last year. It found quite a few cases in which the civil injunction procedure was being used to restrain potential protests. The real question is this: is the state facilitating protest or preventing it? To an extent, that issue is mixed up with the issue of private land and private-public space. However, the fact remains that the safeguards are simply not there in any meaningful way, and although it may be theoretically possible for people to come back afterwards and challenge such injunctions, in practice that does not work. There is no urgency about these things.

Meg Hillier: It is not that there is no urgency. If we are looking to change the law, whether through primary legislation or other routes, we have to be careful to ensure that we are not doing so on the basis of just one case. If the Joint Committee has evidence in relation to other cases, we will certainly look again at the issue of injunctions and I will certainly pass any such evidence on to my right hon. Friend the Minister for Policing, Crime and Counter-Terrorism. However, as I say, we cannot work on the basis of one case.

Let us take what is perhaps a more challenging example. If there is someone who is a partner and, say, a member of Fathers 4 Justice, could that person not use the cloak of being a protester to circumvent civil procedure rules?

Mr. Dismore: No.

Meg Hillier: Well, I think that we need to be clear that there could be perverse outcomes if we rushed into change on the basis of one example. We need to look into that issue.

Mr. Dismore: I simply say to my hon. Friend that someone from Fathers 4 Justice, or whatever, may well be a protester, but that is not the point; there is nothing to stop the injunction being granted. The only issue is

that they should have proper notice and a fair hearing, and the problem is that at the moment they do not get those things.

Meg Hillier: Perhaps I did not make my point clear, but it was about somebody who was, for example, in the situation that I described. If there is an issue about personal safety for an individual, sometimes the injunction needs to be put in place expediently and there is not time to give notice. There should always be as much notice as possible, but sometimes urgent situations arise and we need to ensure that we provide safety for people too.

I am keen to move on, because essentially injunctions are a matter for the courts to decide and we need to be mindful of the separation of powers in this country.

Mr. Dismore: Of course it is a matter for the courts as to whether an injunction should be granted, but it is a matter for Parliament to decide the circumstances in which that power should be available to the courts. The hon. Member for Cambridge came up with what I thought was a very neat formulation, which is that a court should pay due regard to articles 10 and 11 of the ECHR. That would not necessarily bind a court, but it would mean that, for example in the circumstances that my hon. Friend outlined—a better example might be that of animal rights activists who have actively engaged in violence—the injunction could still be granted ex parte, but that should be the exception and not the norm.

Meg Hillier: The courts are obliged to take into account articles 10 and 11 of the ECHR in all cases before them, under the Human Rights Act 1998. In this instance, we are talking about procedure rules and there remains a role for without- notice injunctions. Ultimately the courts, which are used to all aspects of granting injunctions, will decide on injunctions. If the Joint Committee has further evidence in relation to this issue, we would welcome the chance to look at it. However, as things stand, we have no plans to change our position.

My hon. Friend also raised the issue of the use of technology. There is a real benefit to using technology, but we must not forget the basics and in this country the basics of policing are human—our police officers on the streets. Good communication is the key, in terms of face-to-face community-style policing, and that is how we in this country choose to police protests. We do not stand at a distance using water cannons, as police in other countries do, and we should not have communication as a specialist role: I believe that it needs to be embedded, as it already is, in the training of all police officers.

My hon. Friend also raised the issue of independent mediators. We agree with HMIC that it is preferable for the police to remain the primary arbiter in relation to decisions about protests, on the basis that they will take impartial decisions and are accountable under the law for the exercise of their discretion.

Mr. Dismore: Generally, there is not a problem—there is communication. We know that from the 4,500 to 5,000 cases of protests that pass peacefully every year. However, I mention to my hon. Friend the position of the hon. Member for Cambridge during the G20 protest. In that protest, neither side—neither the police nor the protesters—was prepared to talk to the other. It was only when he tried to bring them together that there was any dialogue at all; it may have been a dialogue of the deaf, but at least it was a start. In Northern Ireland, that very painstaking no-surprises process began through the use of intermediaries—Catholic priests, in that particular case.

Meg Hillier: Of course, the police should always be willing to talk to anyone. It distresses me sometimes when I hear of cases where a group of protesters, or any group, does not wish to co-operate with the police, because if we can engender dialogue we often break through these problems.

The existing public order framework—

Mr. Dismore *rose*—

Meg Hillier: May I just finish my point? The existing public order framework operates effectively and it ensures the facilitation of protests in the vast majority of cases across England and Wales. Good communication and effective dialogue are key. However, we are not convinced of the need for mediators at this point, because we believe that the police are well trained in this area. Furthermore, I believe that the use of mediators can add complications and overly bureaucratic processes to what is essentially the current effective model of working, whereby the police enter into discussions with the people they are policing and they are not seen as unable to do that. There is a danger in bringing in mediation. I know that my hon. Friend disagrees, but I will give way to the hon. Member for Cambridge first.

David Howarth: The problem, as I observed it in the G20 situation, was that both police and protesters assumed that any contact with the other side would reveal information to the other side, in some kind of tactical battle in which the police's main objective appeared to the protesters to be to prevent the protest from happening at all. Therefore, it is important that the starting point changes, and that the protesters are confident that the police's objective is to facilitate the protest and not to stop it.

Meg Hillier: Certainly the police's job is to facilitate protest—as long as it is peaceful. The police must establish that balance, on human rights grounds, between the rights of the wider population and the rights of the protesters. So, a certain level of disruption may be acceptable, but there must be a decision made on the ground about, for example, when it is acceptable for protesters to block a road and for how long. A protest may be peaceful, but it can be very inconvenient for other people. There needs to be a balance.

I am of the opinion that the problem must be solved by building trust rather than circumventing it. Bringing a third party into discussions would not build trust between the police and protesters. We are talking about one challenging case. We should not be thinking about changing procedure on the basis of one example.

Mr. Dismore: We are not talking about one case. We are talking about one case in which a mediator appeared, a series of cases, and the lessons from Northern Ireland. The difficulty, as my hon. Friend says, is that we must

[Mr. Dismore]

build trust between the two sides, but there is no trust. How can that process start unless somebody kick-starts it? So far, the police have not shown themselves capable of doing so.

Meg Hillier: I disagree. In the vast majority of cases, there is trust between police and protesters. If we went down the path of suggesting that we need a third party as a routine matter of course because there is no trust, it would undermine the police and their training. One could also say that it would let the police off the hook of having to deal with communications. The police officers whom I deal with in my constituency, who pride themselves on their contact with the community and how they deal with protests and demonstrations, would be insulted by the idea that another party needed to come in and do that for them.

Mr. Dismore: Will my hon. Friend give way?

Meg Hillier: I do not want to give way again, because we are going around in circles. We may have to agree to disagree on this point.

My hon. Friend's general characterisation of riot police might inform his position; it comes from the perspective of the protester. I can give an example of my own. One nice sunny day, my children and I were heading to a park in north-east London. It happened to be the day of the London derby between Arsenal and Tottenham. As we entered the tube station on our way back, large groups of drunken fans were chanting at each other. Police in riot gear were keeping them apart, and, I must say, that I was grateful for their presence. It depends on one's perspective. I do not see a problem with having police present to maintain peace. We do not want riot police on the streets all the time, but it is important that they are there.

We need to balance consent and maintaining the safety of officers and the public. It is important to emphasise that normally, of course, officers do not wear riot gear. It is rare that we escalate to protective clothing and gear, although it is important that it is available.

Mr. Dismore *rose—*

David Howarth *rose—*

Meg Hillier: I will give way to my hon. Friend.

Mr. Dismore: My hon. Friend misunderstands the position. The difficulty with police in riot gear is that it can sometimes provoke rather than calm things down. HMIC identified in its work that there is nothing in between to de-escalate confrontations. We start from ordinary policing and end up in riot gear, but there is nothing in between. Police can escalate, but have no training to de-escalate. That is what has been missing so far.

Meg Hillier: I do not wish to trivialise what my hon. Friend says, because I know that he says it with some feeling, but although it is easy to talk about a halfway house, I am not clear how practical it would be to implement something between ordinary daily uniform and riot gear. Is he suggesting a third uniform? Perhaps he would like to elucidate, as I am not clear what he is proposing.

Mr. Dismore: It is not about uniform; it is about policing tactics. I suggest that my hon. Friend consider what happened in Northern Ireland. I mentioned the assistant chief constable in Northern Ireland, who personally led a march through one of the most difficult areas in the country to prove that it could be done without everybody being kitted out like storm troopers from "Star Wars".

Meg Hillier: Again, the judgment needs to be made on the ground by the commanding police officers.

Mr. Dismore: It was.

Meg Hillier: In that situation, the decision was made, but my point is that the decision must be made at operational level with due regard to the health and safety of the policemen and women who put themselves every day in the line of defence of the general population, and who sometimes put their lives at risk. It is important that we give that balance.

David Howarth: Will the Minister give way?

Meg Hillier: The hon. Gentleman will forgive me, but I wish to move on. We had a lot of discussion of stop and search under section 44 at protests and, although I have quite a lot of time, if I do not make some progress, I risk missing some of the important points raised.

It is important that stop-and-search powers are used for the purposes specified in relevant legislation. When police stop and search a protester, they must always specify on what legislative grounds they are conducting the search. All police powers to stop and search derive from various statutes including section 44 of the Terrorism Act 2000, section 60 of the Criminal Justice and Public Order Act 1994 and section 1 of the Police and Criminal Evidence Act 1984.

Stop-and-search powers should be used only in that case, but it is not right to say that stop-and-search powers should never be used against protesters. Stop and search can be deployed in a particular area if authorised on the basis of a reasonable belief that incidents involving serious violence might take place in the locality in a police area and that authorisation is expedient to prevent their occurrence, or that persons are carrying dangerous instruments or offensive weapons in the police area without good reason—

Mr. Dismore: Like clown suits.

Meg Hillier: We can always find examples—sadly, there are examples—of where the powers have not been used clearly. I welcome the support of Her Majesty's Opposition on the issue.

Let us be clear that there is a real threat of terrorism in this country, but such powers must be used properly. We have it on House of Lords authority that stop-and-search powers are lawful and continue to be good law domestically. Lord Carlile has consistently stated in his annual review of terrorism legislation—both last year and the year before—that he is not in favour of repealing

section 44. In his judgment, sections 44 and 45 remain necessary and proportional, according to the key principles of policing protest, to deal with the continuing and serious risk of terrorism.

The European Court of Human Rights judgment is not final, and the UK will not be required to implement it by amending the law, pending our appeal to the grand chamber. We hope to persuade the Court that our domestic court's assessment is correct and that the powers are compatible with convention rights.

It is important to emphasise that the effectiveness of section 44 powers cannot be measured simply in terms of the number of arrests resulting from stops and searches. The purpose of the policy is also to act as a deterrent to terrorists. Since mid-2009, however, stop and search in the capital dropped 40 per cent. after the Metropolitan police responded to concerns, including from the community, by changing how the tool is used. I have welcomed clarification given to constituents and locally about how section 44 is used, but I have learned from talking to my local police in Hackney that it is a valuable way to ensure that we are all safe.

In all matters of policing and human rights, we must balance the rights of the individual stopped or the protester against the rights of the wider community as well. It is about balance. It is important that we do not forget that when we discuss protests, we are not talking only about those who choose to protest but about the people whose lives their protests can disrupt.

My hon. Friend the Member for Hendon discussed the balance between public and private space. We are committed to working with ACPO and wider stakeholders on the issue. We are tackling it in a revision to ACPO guidance and a Home Office code by July this year, as the White Paper outlines.

My hon. Friend also mentioned the amount of legislation and the need for clarity. One substantive change has been made to the Public Order Act 1986 in the past 10 years: the number of people constituting an assembly changed from 20 to two. The change had the full support of the police service, and the Government will constantly review the law—*[Laughter.]* But that is only one change. My hon. Friend said that too many changes had been made to the law. The Government will constantly review the law and consult widely before introducing any new legislation. That includes consulting the police and making changes at their request.

The Government understand the complexities of modern policing and the judgments that police must make daily. In the arena of public order policing, the police must balance a number of competing rights, as I have said, and it is important that the legislative framework is clear to assist the police in carrying out their role. We will continue to work with ACPO to provide proper understanding and application of the law. As I have said, it is not good enough just to have law or guidance; it must be understood and implemented at a practical level by officers on the ground, at the sharp end of policing.

Hon. Members have mentioned protest around Parliament. As they will be aware, we have introduced measures in the Constitutional Reform and Governance Bill to repeal sections 132 to 138 of the Serious Organised Crime and Police Act 2005. The framework governing protests will be the same around Parliament as everywhere else in the UK, except that police will be given tightly defined powers to maintain access to Parliament.

We believe that our provisions reflect the Joint Committee's recommendations on the need to maintain access to Parliament, although we are aware of its concerns that the Government's provisions on access lack clarity. We have provided Parliament with the draft text of an order showing what requirements must be met in relation to maintaining access to the Palace. We hope that it will address those concerns, and we look forward to hearing the Committee's views.

The Government's intention has always been to come up with provisions that allow the police to maintain access to Parliament in a way that does not disproportionately restrict protest, that is clear to those wishing to protest in the area and that is commensurate with Parliament's expectations. We welcome the continuing debate on the matter during the passage of the Bill and hope to bring Parliament clarity on the consequences of our proposals. We are confident that there will be plenty of time to debate the matter on Report.

The hon. Member for Cambridge raised the issue of identity numbers. I will write to provide him with information on the frequency of discipline and the reaction of the police to the loss or covering up of identity numbers. Perhaps we can discuss the matter after the debate and come up with suitable wording.

We discussed section 5 of the Public Order Act 1986 and I will clarify the Government's position. We agree with the Joint Committee that there is no right under English law not to be offended. Such a right would undermine the right to freedom of expression. We must get away from the idea that section 5 is about simply preventing people from causing offence—that misrepresents the law.

Although protecting freedom of expression is key, it must be balanced with the need to ensure that people, especially vulnerable members of society, are protected from gratuitous insults. I am worried that amending the offence as the Joint Committee proposes would send the wrong message that it is acceptable to insult someone.

David Howarth: I am sorry that my hon. Friend the Member for Oxford, West and Abingdon can no longer be here because he has a particular interest in this proposal. If he were here, I am sure he would ask the Minister whether by "gratuitous insults" she means somebody deliberately and intentionally causing alarm and distress. If so, that is covered by section 4(1)(a) of the 1986 Act. It would therefore not be affected by the suggested amendment to section 5.

Meg Hillier: Although this is not my normal area of work in the Home Office, I have looked at the issue closely because it interests me. One challenge, which was backed up by our consultation, is that removing the word "insulting" from the scope of the offence would send a signal that insulting a person is acceptable. That would have a negative impact on vulnerable members of society.

We believe that the best way to address the difficulties highlighted by the Joint Committee is to produce clear guidance and training for police on the use of section 5, which highlights the importance of human rights

considerations in relation to freedom of expression. We intend to develop guidance in consultation with the Crown Prosecution Service. My hon. Friend the Member for Hendon will be aware that our response states that we are happy to share the draft guidance with the Joint Committee.

The right to freedom of expression, as contained in article 10 of the European convention on human rights, is an essential foundation of a democratic society. Although it concerns the Government if police officers use powers inappropriately in a way that impacts on a person's right to freedom of expression, we believe that the way to address that is to give officers targeted guidance, not to change the law.

The courts have upheld that section 5 of the 1986 Act contains the necessary balance between the individual's right to freedom of expression and the right of others not to be insulted and distressed. Section 5 is engaged only when the words or behaviour are "threatening, abusive or insulting". It is possible lawfully to express views in public that some consider offensive without being threatening, abusive or insulting and, therefore, without contravening section 5.

The hon. Member for Cambridge mentioned Kingsnorth climate camp. Home Office Ministers have given undertakings to Parliament that the lessons that can be learned from Kingsnorth will be identified and shared. The former Home Office Minister, my hon. Friend the Member for Gedling (Mr. Coaker) apologised for unwittingly providing inaccurate information to the House about bee stings.

David Howarth: I think it was wasp stings. I put it on the record that I accepted at the time and still accept that apology. The circumstances in which the hon. Member for Gedling came to make that statement have never been clarified entirely, but I accept that it was unlikely to have been his fault.

Meg Hillier: I will pass on the hon. Gentleman's repeated acceptance of that apology and I am sure that my hon. Friend the Member for Gedling will be pleased. I am pleased that Kent police published the ACPO review into Kingsnorth and that the HMIC has picked up on the lessons in its report, "Adapting to Protest—Nurturing the British Model of Policing". Indeed, Kent police are holding a symposium on public order next month to learn the lessons. I am sure the hon. Member for Cambridge will be interested in the outcome of that.

The hon. Gentleman was critical of ACPO and asked whether it should continue to exist in its current form. We believe strongly that ACPO is an important part of the policing landscape. We welcome the fresh thinking from HMIC and the new president of ACPO and his team on ACPO's role and on how ACPO can have the best possible partnerships with the Home Office and the Association of Police Authorities. We look forward to discussing any formal proposals that emerge from ACPO in due course. Parliament will have a role in any such proposals.

The hon. Gentleman also raised concerns about whether ACPO is accountable enough. Constitutionally, ACPO is part of the tripartite leadership for policing. It works in partnership with Government and the Association of Police Authorities to co-ordinate the direction and development of the service. It is not anomalous, but fits into a well-worn structure that brings together the key leads of the 43 police forces in England and Wales so that there are common standards. It is an independent organisation made up of representatives of the 43 police forces.

ACPO is instrumental in advising the Government on how to tackle serious and ongoing threats that put the public at risk. As such, on behalf of the whole service, it leads on the executing of major national projects aimed at developing the capacity of the service to meet the challenges of the rapidly changing world. Although policing is not my main area of work in the Home Office, I do work with ACPO leads. As a Minister, it is helpful to have access to experts in the area who have ready access to a network of other experts in the field. That enables Ministers to receive good advice from people who know what it is like to be a working police officer. It is important to have that mix and not just to make decisions from behind the Minister's desk in Whitehall, as the hon. Member for Bury St. Edmunds characterised it.

The hon. Member for Cambridge raised the issue of the police's role in relation to the media. The Joint Committee took evidence which showed that the police give the media measured briefings. I therefore disagree with his characterisation. I see that he disagrees with me.

David Howarth: The point I was trying to get across was the Joint Committee's original point. It was a criticism not of what police said to the media in briefings, but of what action the police took to calm the situation having seen what the media made of those briefings.

Meg Hillier: We are asking the police to do a great deal if they are to be held responsible for the headlines in certain newspapers. Speaking as a Home Office Minister, I can say that Government policy is often crudely misrepresented. I can do my best to change that, but I cannot tell a journalist how to do their job. We have a free press in this country. Whether or not we agree with the press, we have to allow it to do its job. We are in danger of overstepping the mark with regard to what the police can actually achieve. I am sure that police press offices up and down the country work to calm things down, but we have a free press and we must allow it to work unfettered.

The hon. Member for Cambridge mentioned containment. I would be grateful to hear from him examples of where police have moved in and closed an area so that we can raise them with ACPO. If he provides information to the Minister for Policing, Crime and Counter-Terrorism, he will look into it. The hon. Gentleman also raised forward intelligence teams. The ACPO review of guidance on their work to date will be forthcoming.

The hon. Gentleman also raised the Wood case. That did not go against the Government, as he said. The case was brought against the Metropolitan police, who welcome the clarity that the judgment brings. It is important to put that on the record. As I said, we agree that photography can be a valuable intelligence-gathering tool, but it raises human rights issues. It is important that those issues are tested in the courts.

The hon. Member for Bury St. Edmunds raised some useful points. I welcome his cross-party support for the valuable and important work of the police. It is important that we send a message out to the police that Parliament supports the work they do. I am glad that we can do that in this debate on a challenging area of policing.

The legal test for the use of force, which is one of the concerns the hon. Gentleman raised, is set out in the Criminal Law Act 1967. That applies to any use of force. The law is clear that any use of force must be reasonable and appropriate to the threat or perceived threat that officers face. The disproportionate use of force is unacceptable and any officer found to be using excessive force will be disciplined accordingly.

Where there is doubt or concern about the use of force, the police should be scrutinised. That is rightly happening under the auspices of the IPCC and HMIC. Once again, I stress that most officers do not overuse force, but they are working in very challenging areas. At the sharp end of policing, officers need to know that they are scrutinised and will be trained to do the job properly. We need to be sure that we have safeguards in place for any officers who overstep the mark. We will continue to work with all police agencies and associations to ensure that the legal position on police use of force is embedded in every area of policing from the first day of training right the way through. We will also ensure there is consistency in different areas of guidance that impinge on the use of force; for example, armed policing and officer safety training. Those will be cemented in the code of practice.

The hon. Gentleman also raised the question of there not being enough trained officers. We take that very seriously, as do ACPO, which is working on building regional capability. The Home Office will be producing a code of practice on public order to ensure that the police have appropriately trained officers. That is core policing and, as I mentioned, it is important to have that across 43 forces, because of the need to move officers, from time to time, into other force areas.

The HMIC is clear that the issue is not more training, but better training. ACPO and the National Policing Improvement Agency have already piloted a new command-level training approach. I am happy to provide the hon. Gentleman with guidance on that as necessary. We agree that guidance needs to be implemented, and that the Olympics will be a challenge in that respect, so we need to make sure we have got it right.

Mr. Ruffley: If the Minister could provide some written material along the lines she has suggested, particularly in relation to 2012, it would be extremely useful for all parties.

Meg Hillier: As I am not the lead Minister in that area, I cannot promise exactly what I can provide, but I will pass the matter directly on to the Minister for Policing, Crime and Counter-Terrorism. There might be some minor issues concerning the security of the Olympics that we cannot reveal widely to the public, but if we can reveal that information to hon. Members, we will do so as appropriate. The intention is certainly to be open about the matter.

I was also grateful to the hon. Gentleman—harmony breaks out on this cold Thursday afternoon—for expressing his desire to have more bang for our buck, as he put it. That is very much core to the Home Office's approach. We do not necessarily need to use more money to do these things but, in everything we are doing, we should weigh every public pound and use it as effectively as possible. The public purse is not an automated teller machine, even for policing, and we need to make sure that we balance money properly. We are working towards joint procurement strategies on police and public order equipment. There is greater collaboration between forces in line with the protective services agenda. I recommend that the hon. Gentleman look at the White Paper, "Protecting the Public: Supporting the Police to Succeed" for more detail on that.

I think I have covered most of the issues raised—I am just checking to see if there is anything I have missed. We agree that the Northern Ireland model is good, as my hon. Friend the Member for Hendon said, and the climate camp at Blackheath shows that we can have proper, proportionate policing and dialogue between the police and those involved.

I hope that I have provided reassurance this afternoon about the Government's commitment to upholding the right to peaceful protest and to providing police officers with the support that they need. We in the Home Office and the police have undertaken to deliver a programme of work by summer this year that will directly address a number of the Committee's recommendations. We might disagree on some small areas, but I hope I have reassured my hon. Friend that, where the Committee has evidence on certain issues, we are always happy to consider that. Once again, I pay due respect to how the Committee has gathered the evidence and to the considered way in which it produced its report.

In the White Paper on policing, we pledged to work with the police and the public to ensure that the recommendations of the HMIC report are properly acted upon and to act as an agent for change. I am encouraged by everyone's commitment to drive forward support for our front-line police officers, and I look forward to continuing engagement with the Joint Committee on the programme of work as it progresses throughout the year.

4.44 pm

Mr. Dismore: We have had a constructive debate and there has been a great deal of agreement. It is unfortunate that when winding up such a debate, one always wants to stress the points on which we have not agreed, to put down markers or have a second bite at a particular argument.

I think my hon. Friend the Minister did not quite get what I was saying about the escalation issue in relation to protest. No one wants anybody to get hurt, whether it be a police officer or a protester, and what came out of the discussions that we had last week in Portcullis House was that policing can never be a no-risk occupation. There will always be an element of risk in policing, and the point made to me in Northern Ireland, and by those from the police service in our discussions last week, was that that was accepted. No one wants to take an unnecessary risk, but if things are done properly, it can sometimes de-escalate tension if certain risks are taken.

I come back to the point that Assistant Chief Constable McCausland made to us about the challenge he gave to his officers when he said, "Look, I'm not asking you

[Mr. Dismore]

to do something I'm not prepared to do." He went to the head of what was, I think, a very difficult loyalist march in a Catholic area and proved that with proper, no-surprises policing, and proper discussions between people who come from difficult and conflicting circumstances, such scenarios can be de-escalated, rather than escalated.

It is not a question of uniform or no uniform; it is a question of the policing approach. At the moment, the policing approach is all or nothing. That was brought home to us not just by our conclusions, but by the evidence that we were given, including from the police themselves and HMIC. It is important for there to be more sophisticated police training, particularly at the command level—bronze, silver and gold—to show that the objective is not to go straight to full-on riot policing, but to try to find ways of bringing tensions down, rather than pushing them up.

The hon. Member for Cambridge made the point that the way in which the containment tactic is used to push people together increases the tension, particularly if riot police hit people on the legs with the edges of shields to try to push them back when there is no space for them to go to. We saw that there were people with their hands up saying, "We're not part of a riot," yet they were still being treated as if they were. That is not de-escalating the tension—it is potentially increasing the tension and increasing confrontation where there was none to start with.

My hon. Friend the Minister and other hon. Members are absolutely right to say that the overwhelming majority of protests happen perfectly peacefully, with proper co-ordination with the police and without any difficulty at all. It is inevitable that we have to focus on when things have gone wrong, because by doing so we can try to improve things for the future and ensure that such difficulties do not arise.

That is why, I am afraid, I have to come back again to the question of mediators or intermediaries. I fully accept my hon. Friend's point that the police want to be able and should be able to communicate directly with individuals, both on the front line of the protest and at an organisational level. However, occasionally, as she accepted, trust has broken down to such an extent that there is no dialogue at all. The question is how to break through that lack of dialogue.

The hon. Member for Cambridge tried to deal with that issue—he did not achieve a great deal, but he did try. The Northern Ireland experience shows that such an approach is not a one-off thing and that it takes time to build those difficult relationships. Building trust between the Police Service of Northern Ireland and some of the republican movement was a very difficult thing to achieve, but it was done through the use of intermediaries to start the dialogue. Direct contact then developed between the police and those involved.

Meg Hillier: We are talking at cross purposes here. The difference is that the situation in Northern Ireland developed over a long time; there was no sudden single event for which that approach was necessary. Those involved were dealing with communities that were entrenched over many years—in fact, for my entire lifetime, until recently.

We are talking here about individual protests that, as we say, are mostly peaceable. Sometimes those protests escalate, but who is able to communicate best on the ground? It should be our police. According to my hon. Friend's model, at what point would it be right to bring in a mediator? The fact that a mediator might be available could even escalate the problems further. We have the right approach and, as we set out in the White Paper, we are all about communicating, not de-escalating.

Mr. Dismore: Of course it should be the police. My hon. Friend is right that in Northern Ireland there was a long history that had to be dealt with, but the other case is not a one-off. The same group of protesters, the climate camp collection, have had that problem time and again; that is why the trust has broken down. Although there might have been trust at first, it has dissipated and now has to be rebuilt. The question is how we rebuild it. There have been more than half a dozen of those confrontational demonstrations in which dialogue has not taken place.

David Howarth: I would like to add another observation that I have made over the past few years about trust breaking down. The Minister referred to situations in which the police communicate perfectly well with demonstrators, but those tend to be traditional processions where the police understand what the demonstrators are up to and the rules of the game. However, when demonstrators are doing things other than taking part in a normal procession, and when their lifestyles and values are perhaps unfamiliar to the police, it is sometimes useful to have a mediator. In the situation I found myself in, I concluded that I started too late and that we needed a number of different rounds.

Mr. Dismore: The hon. Gentleman makes his point well. We have seen new forms of protest evolve because the traditional forms of protest, frankly, do not attract any attention. It is inevitable that some people will be offended, as the whole purpose of protest, as I said earlier, is to cause some disruption; otherwise, no one would take any notice. What we have seen at the climate camp, and with similar types of activity, are new ideas on how to attract attention when protesting. We have an obligation, under human rights law, to facilitate protest, and sometimes that will be disruptive. The problem in this case is that the police cannot cope with something outside their expectations, and that is why we get that escalation.

We must try to get to a situation in which protesters are confident that, if they talk to the police, they will not immediately be prevented from doing what they want to do. The police might want to fiddle around the edges, and a bit of to and fro in negotiations is fair enough, but if they simply say, "No, you can't do that," there will be no dialogue—we will have a dialogue of the deaf. We need a way of brokering an agreement when new forms of protest are used that are outside the police's basic experience, as that will enable the protesters to make their point in an acceptable way and the protest to be policed in a civilised way.

The difficulty is how to get the two sides talking when there is absolutely no trust between them. Trust is what we have to build. Sometimes, a mediator can achieve

that trust to kick-start the process. The sooner the mediator can pull out and the trust can build and ferment of its own accord, the better, but how do we get the process started when there is no trust to start with?

Meg Hillier: I hope that my hon. Friend will acknowledge that in Blackheath the police are building bridges and trust with the climate protesters. There is a difference between building bridges on a soft basis and having hard mediators come in at the final point. Does he agree that it is important that the police understand the culture of the people they are dealing with and do not do that through an intermediary, which would put a distance between themselves and protesters, rather than having the contact policing that is central to our model?

Mr. Dismore: As I said earlier, I appreciate what happened at Blackheath, as both the protesters and the police pulled back, which was good. I think that we would all agree that a protest on Blackheath is different from a protest in the middle of the City of London, with regard to potential disruption. It is good that relationships can be built. We are not talking about hard mediation, but about trying to get two sides talking. We have made our point, although my hon. Friend the Minister might not be wedded to it.

The other issue that the Minister raised related to section 44 of the Terrorism Act 2000—again. I am prepared to have a little wager with her that what will happen in the Grand Chamber is not what she thinks will happen. There is no question about the need for counter-terrorism powers to be used for counter-terrorism purposes. Indeed, Ministers—I am not sure whether she has said this today—have told our Committee that section 44 should be used strictly for counter-terrorism purposes only and not as a public order tool. The real problem is that it is being used as a public order tool when there is no question of any terrorist threat at all and as a shortcut by the police to stop and search people because they have no other grounds for doing so.

If the police have to have reasonable suspicion under sections 1, 60 or 43, that is fine. If they think that something is going wrong or that someone has a weapon, for example, they are entitled to use stop-and-search powers without having to use section 44 because they would have reasonable suspicion. The problem with section 44 is that the police can stop and search people with no suspicion at all simply because an area has been designated as potentially at risk from terrorists. Even though the overall area is now much less than the whole of London, which it used to be, some of the areas involved are still pretty broad.

The real problem is not only that that undermines confidence in counter-terrorism legislation generally, but that it is over-broad. If 250,000 people are stopped under section 44 and not one is arrested for a terrorist offence—we should remember just how broad our terrorism offences now are—that indicates to me that section 44 might not have been used for its original purpose. That argument has been accepted by Ministers on previous occasions. Ministers have said that it should be used only for counter-terrorism purposes, but it does not happen that way.

My final point is about civil injunctions; I do not think that the Minister understands what we are saying about those. Civil injunctions are about changing the rules of court, not changing substantive law. They are about trying to get a balanced playing field and a cheaper and more effective way of protecting people, and about the right to protest.

Question put and agreed to.

4.56 pm

Sitting adjourned.

Westminster Hall

Tuesday 9 February 2010

[MR. ERIC MARTLEW *in the Chair*]

Child Poverty (London)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mary Creagh.)*

9.30 am

Ms Diane Abbott (Hackney, North and Stoke Newington) (Lab): I am grateful for the opportunity this morning to talk about something that is not sufficiently discussed in the House—poverty in London, and specifically child poverty in London. It is particularly an issue for Hackney, in my constituency in east London, which still has some of the highest indices of deprivation in the country.

Statistics show that 4 million children are living in poverty in the UK, and 650,000 of them live in London: that is one in six of all the children in our capital city. Half of them—300,000, which is a massive number—live in severe poverty, which means that they go without the basic daily essentials that we take for granted. When I was a new MP in the 1980s, a Scottish Labour MP turned to me and said, as though it were an incontrovertible fact, "The trouble with London is all the jobs are here." I was surprised, because I had spent my life as a young activist dealing with the issues that arise from worklessness and poverty in London. One of the reasons why I am so glad to be able to speak on this subject this morning is that too many Members of Parliament who come from outside London see only Westminster, Whitehall and the west end, and are not aware of the pockets of poverty that are outside that magic circle.

It is worth reminding hon. Members that London has the largest group of children in poverty of any region in the country. The response to that might be, "Well, that's very sad for them, but MPs have broader and more important issues to debate," but I would say not only that the number of children in poverty in London is a tragedy for those children and their families, but that wider society must live with the consequences of their growing up in poverty. I do not argue, and have never argued, that the mere fact of growing up in poverty means being doomed to a life of crime. My parents both left school at 14, and I am glad to say that both my brother and I were able to go to university and make something of our lives. However, poverty, hopelessness, deprivation and low aspirations have a relationship to the crime problems in our great city. If the media spent as much time on the underlying issues of child poverty as they do on crime, we would have a better-informed public.

John Howell (Henley) (Con): Has the hon. Lady a feeling for what is driving child poverty in London? There are two aspects. How much of it does she think is due to London factors, which affect all groups? How much is connected to the two groups that suffer child poverty above all—lone parents and black and minority ethnic communities?

Ms Abbott: That is an important question, and I shall come to those issues later. There are some general London issues about poverty, but there are also issues for the groups that the hon. Gentleman mentions.

My immediate reason for obtaining the debate was an excellent report released two weeks ago by Save the Children, commissioned by the New Policy Institute and called, "Measuring Severe Child Poverty in the UK", which found that 13 per cent. of children living in the UK—or 1.7 million—live in severe poverty and that, although poverty is spread across all four countries of the United Kingdom, London is the region with the highest proportion of children living in severe poverty. About 20 per cent. of the children in London live in severe poverty, despite the fact that it is the richest city in the United Kingdom. Perhaps we should pause there: this is London and it is the age of the internet and television. Not only do all those children live in poverty, but they can see clearly, when they walk the streets and see the media, the people who live alongside them in this great city: as Disraeli described, they all live in this great city, but they live in two worlds. That is corrosive to social cohesion, not to mention to the personal esteem of the young people trapped in one world, some of whom see no hope of moving on.

Severe poverty has increased every year in England and Wales since 2004-05 and, sadly, there has been no change in the number of children living in severe poverty in Northern Ireland and Scotland. Single parents and workless households are most likely to live in severe poverty. Half the children in severe poverty come from single parent families and families claiming jobseeker's allowance, and ethnic minority children are three times more likely than white children to be in severe poverty.

Many of the things that underlie severe poverty, including worklessness, low educational attainment, single parent households, social rented accommodation and being in an ethnic minority are very much issues in my constituency of Hackney. I am well aware not just of the figures but the human reality. For that reason, I tabled an early-day motion last week on child poverty in ethnic minority communities, and I urge hon. Members to sign it.

I have set out the figures and tried to touch on the personal reality of poverty in London; but the tragedy is that we are in a recession. Although the macro-economic figures look a little better, my view is that the recession has a long tail and the practical consequences for jobs for ordinary people in London have yet to play out. In a recession, it will be even harder to lift children out of poverty. It is estimated that the recession is likely to have increased the number of children in severe poverty, although what are called the economic stabilisers—the automatic rise in some benefits and so on—are expected to bring the numbers back down to pre-recession figures. However, there is no doubt that what progress the Government have made in tackling child poverty has been endangered by the recession. As unemployment continues to rise, there is a danger that the number of children living in severe poverty will not drop, and might rise even higher.

What is being done? The Government have made a laudable commitment to fighting child poverty. It was a Labour Government who first announced, in 1999, the aim of halving child poverty by 2010 and eradicating it

[Ms Abbott]

completely by 2020. Last June, the Child Poverty Bill was introduced in the House of Commons to put that pledge into legislation. The Bill is being considered in Committee in the House of Lords. It is sponsored by the Department for Children, School and Families, the Department for Work and Pensions and the Treasury. One must admire the extent to which the Government have put the issue at the top of their agenda. The Bill deals with establishing an accountability framework to drive progress towards the 2020 goal nationally and locally, and it would set up a child poverty commission, to provide advice and to report. I welcome the Bill and the Government's long-standing commitment on child poverty; however, sadly, despite the best of intentions, it will be just words unless the existing high levels of child poverty in London are tackled. The capital will have a significant impact on the Government's ability to meet the national targets, and we cannot wait for legislation before we take action.

To return to the point raised by the hon. Member for Henley (John Howell), there are specific issues in London. Child poverty in London is the biggest numerical obstacle to our goal of eradicating child poverty by 2020. What are the specific problems in London? All London MPs will say that one problem is the deep poverty trap caused by higher housing costs and the way in which the housing benefit system works. Housing benefit is a problem in London because of the particularly high housing costs there. Too many estates in my constituency that a generation ago were diverse—some people worked, some did not—are now entirely composed of workless families.

As a result, young people are growing up who have never seen the head of the household going out to work. That may sound like a simple thing, but I was brought up in a working-class West Indian family and, every day that God sent, my father went out to work. On Friday, he brought home his wage packet and gave us our pocket money and a bar of chocolate. That was the norm for me and my brother. More than school lessons or anything that we were told formally, the vision of my father going out to work every morning shaped our attitudes to work and society and our responsibilities to the rest of the family. Tragically, the children living on many estates in Hackney do not see that. That has the effect of shaping their attitude to society and their responsibility in a malign way.

One thing that makes it hard for my constituents to work and sustain a job is the poverty trap caused by housing in London. Another problem is the cost of transport. Without wishing to sound party political, I note that the Conservative Mayor of London recently raised fares. Child care, too, is costly. I am among the top 5 per cent. of earners, but I was never more poor than when my son was at nursery. The cost of nursery provision for earners in London is prohibitive. That goes back to the cost of setting up nurseries, the cost of employing people and so on.

Wages in London are worth less to low-income families because of the higher costs of living. I frequently meet low-income women who are trying to calculate the gain of going from benefit into work. Many part-time service sector jobs in London pay lower wages than in the rest of the United Kingdom. If we are really serious about fighting poverty in London and elsewhere, we will have to look at the interaction of the benefits system and work. A lot has been done, but more is needed.

Many people are put off going to work altogether, because they are frightened of losing their benefits; others have started work, but when the job comes to an end—jobs are often temporary or short-term—they have such a struggle to get back the benefits that they need, which makes them even more reluctant to try for another job. There are fewer part-time opportunities in London. People in temporary accommodation awaiting permanent social housing in London often face high rents. Indeed, we read in the media of the extortionate rents that can be charged.

I shall touch on the question that the hon. Member for Henley asked about ethnic minority families. Some migrant families have particular difficulties in the labour market. Parents with English as a second language have lower employment rates and are more likely to have low-paid jobs. It is estimated that 86 per cent. of London's children are from refugee families, and they face even more disadvantage.

Those are some of the problems for Londoners, but, to be honest, one in particular is that of benefits. One of the first things my party did when elected to power in 1997 was to cut benefits for single parent mothers. The Minister will know that the Government are pushing forward with a policy to encourage—I use the word advisedly—single parent mothers to go to work when their children are still quite young.

I take a view on forcing women to go to work when their children are of school age. It is not the official new Labour view. I returned to work when my son was eight days old. I worked until the Thursday before I gave birth, had the baby on the following Monday and was back at work, here, eight days later. It was a job that I adored. The role of Member of Parliament gave me flexibility. I could take my son with me to work.

Jeremy Corbyn (Islington, North) (Lab): And to the Division Lobby.

Ms Abbott: Indeed.

I deprecate attempts to force young women to work as though it is the answer to their poverty. The consequence can be an impoverishment of family life. I believe that many young women on estates in Hackney would be better placed getting a proper education, learning to be proper mothers and being at home when their children finish school, rather than being forced to work in a series of low-paid, low-skill jobs, with no clear idea what their children are doing. Ministers are well aware of my views. Most women with skills want to re-enter the labour market, but unskilled women should be given help and support. I deprecate coercion.

I have spoken to a number of groups, including the Child Poverty Action Group, Save the Children, London Councils, Gingerbread and the Family Holiday Association, seeking practical advice to help deal with poverty in London. I press Ministers on the fact that all groups agreed on the need to focus more on London. Given the scale and unique characteristics of child poverty in London, we need a particular focus on London. Without tackling child poverty there, it will be numerically impossible to reduce and eventually eliminate child poverty in the country as a whole.

The second point made by those groups is that everyone agrees that local authorities have a key role to play in tackling child poverty. The Government acknowledge in the Child Poverty Bill that local authorities are best placed to develop and deliver local solutions to local challenges. However, to deliver those local solutions, it is essential that local authorities are given the freedom and flexibility to tackle child poverty locally. Poverty is a complex problem, and London is a complex area. From borough to borough, the demographics vary wildly. What may work in one area may not work elsewhere. Statutory guidance on child poverty should not be too prescriptive.

The third point agreed by those voluntary bodies is that we need to remove the barriers for those who want to get back to work and tackle unemployment. In the long term, it would reduce child poverty by getting households off benefit and into sustained employment, but many of the organisations to which I have spoken believe that, although a lot is going on, more joined-up working is needed between the Department for Work and Pensions and jobcentres. The Department's consultation on housing benefit reform proposes that a transition-into-work payment should be made for the first three months of employment. That is an important first step.

As I said earlier, many people are put off working because they are worried about the immediate effect—that they would be worse off as a result of losing benefit—but evidence suggests that if employment can be sustained for six months the likelihood of returning to benefit is significantly reduced. The organisations that I have spoken to say that the transition-into-work payment should not be for three months but for six months.

With unemployment at 1.7 million at the end of last year and with the ongoing risk of an increase in the number of jobless, we need to do all that we can to prevent job cuts. The poverty rate for children in households where no one works is obviously worse than for children where somebody does work. Those on both sides of the House who are calling for cuts in public expenditure should remember that one man's public expenditure cut is another woman's job loss.

People are concerned about proposed public expenditure cuts in inner London not simply because of the possible loss of services; in my borough of Hackney, the largest single employer is the public sector. If there were to be swingeing cuts in the public sector, many women struggling to keep their heads above water in a job—we are often talking about female-headed households—may find that their jobs have been taken away.

Another factor that we need to consider further is the tax and benefits system; we need a simplification of the benefits system. At present, there are 51 welfare benefits in England and Wales, with different claims processes and forms to be completed. Some of those forms can be 50 pages long, often with the same questions asked for each claim. I have seen the forms; people come into my surgery and show them to me. I would have difficulty filling them in—let alone the people who come to me for help and support. With the best will in the world, it is difficult for people who genuinely want to go back to work to manage filling in the forms.

Mr. John Baron (Billericay) (Con): The hon. Lady is right to say that the complexity of the benefit system is a key factor. As the Work and Pensions Committee pointed out, there is a shortage of part-time jobs and a high cost of child care. Does she accept that they are key drivers of child poverty in London?

Ms Abbott: I touched on that matter earlier, but the hon. Gentleman is quite right. There is a shortage of part-time jobs and transport, and child care costs are another big disincentive. As I have said, we need to consider simplifying the benefit system. There needs to be a simplified system of support for child care costs that is clear and transparent to parents, providers and advisers. The present system is complex and has varying eligibility criteria.

Free school meals make it easier for families on tight incomes to budget. Studies have found that good-quality school meals lead to improved educational attainment and classroom behaviour. I welcome the Government's announcement of an extension of that entitlement to primary school children, but significant numbers of children who are entitled to free school meals do not receive them, and we need to look at why that is and remove the stigma about applying for them and receiving them. Many organisations have said that we can achieve that by removing means-testing, and introducing universal free school meals is a cost-effective way of helping all children in the education system, as well as having a substantial effect on tackling child poverty.

As I have said this morning, I am glad to have had the opportunity to raise this subject. Members who do not live in London, or who live in the more prosperous parts of London, do not understand the poverty and deprivation that exists in London. The poverty that exists among children plays itself out in all sorts of negative social phenomena. I call on Ministers to focus on London, give local authorities flexibility, remove the barriers and complexity about the way in which the tax and benefits system interact and—this is a radical thought at this time in the election cycle—introduce universal free school meals.

Everyone admires the Government's proposal and push on ending child poverty, but what everyone wants, even in a recession, is more progress on dealing with the specific areas that have made the issue so intractable. I say to Ministers that, without a particular focus on London, they cannot achieve all that they want. I know that it is old-fashioned to call in aid morality when we are discussing Government policy, but how can it be right that, at one and the same time, we can live in a city where people think nothing of paying £1 million or £2 million for a home and where at the very top end of the scale people live lives that are unimaginable to the rest of the world, and yet we have one of the highest incidents of child poverty anywhere in the United Kingdom? Once again, I am grateful for the opportunity to address the Chamber on this subject.

9.54 am

John Howell (Henley) (Con): I congratulate the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) on securing this debate. This is a very important subject and one in which I am particularly interested. As she may recall, I was one of the Members who served on the Committee that considered the Child Poverty Bill.

It is important to go back to my earlier intervention to distinguish between those factors that are generic to London—she mentioned a number of them—and those

[John Howell]

that are generic to the individual groups that suffer the worst child poverty. She mentioned the high housing costs in London as a whole. I am grateful to my hon. Friend the Member for Billericay (Mr. Baron) for raising the points that were made by the Select Committee on Work and Pensions in its earlier report on child poverty. The Committee extensively examined the subject and it was concerned about the effect on London and on particular groups in London. As my hon. Friend pointed out, time and again the lack of part-time jobs in London came out as an issue in the evidence sessions, as did the high cost of child care, to which we have already referred. When looking for solutions, it is important to understand the drivers for those individual groups. As we have already discussed, two of those groups are lone parents and ethnic minorities. On 17 June last year, the Select Committee revealed that over the past three years there have been no real improvements in child poverty levels among lone parents, which was a great disappointment to us all.

The hon. Lady will recall that the Child Poverty Bill largely passed the buck to local councils to deal with the problems of child poverty. On a number of occasions during its the passage, I expressed my unhappiness with the bureaucratic way in which it imposes duties on local government without freeing it up to take the action that is required. By and large, solutions to child poverty must relate to the specific circumstances of individual localities, and the problems that occur there.

Ms Abbott: As for putting duties on local authorities, I was a local councillor myself and I bow to no one in my admiration of them, but I am a little wary of Government placing duties on local authorities, whether in relation to child poverty or dangerous dogs, without providing the resources.

John Howell: One of the great joys of coming here is to find that one is surrounded by people who, like me, were former councillors and who can speak from the experience of dealing with such problems on the ground, which is a great benefit to our deliberations.

During the course of the evidence sessions in the Child Poverty Bill, we heard from a number of councillors and one council leader about the way in which councils—in this case it was Kent, which has some serious deprivation problems—have already set about tackling the problems by setting up a programme of working with other agencies. Two issues arise from that. First, is the hon. Lady, by implication, being critical of her local council because it has not tackled the problems that she illustrated in such a forceful way? Secondly, evidence came out from both Kent and Liverpool that one of the main inhibitors to joined-up working was the Department for Work and Pensions, particularly its unwillingness to play ball with local councils in schemes such as the Total Place experiments.

Ms Abbott *rose—*

John Howell: I am questioning the hon. Lady about whether she is being critical, so I am happy to give way to her if she is going to say yes.

Ms Abbott: I want to set the record straight. The main issues that I have flagged up as contributing to child poverty in London are benefit levels, the way in which housing benefit works, transport costs and the shortage of low-paid jobs. Such matters are not within the power of local authorities to address. I would not dream of criticising my own local authority.

John Howell: I recommend that the hon. Lady read the evidence sessions of the Child Poverty Bill, particularly the remarks made by the local government representatives, who provided one of the finest evidence sessions that I have seen so far in this House. What came across was a wish, which is borne out by my own experience, to free up local authorities and give them the relevant power so that they can tackle the problems in a way that is relative to their own areas. For example, my county council has not signed up to the child poverty target, but it has signed up to a lot of other targets that contribute directly to eradicating child poverty and particularly to breaking the cycle of deprivation.

Jeremy Corbyn: I welcome what the hon. Gentleman says about the aspirations of his own county council; they are very welcome. However, does he not concede that one of the problems of freeing up local government too much is that we go down the road of councils such as Barnet, which are operating a sort of "Ryanair" policy in their delivery of services, or that we go down roads taken by other councils, which simply want to decimate all public services and deliver a very low or zero local council tax? Surely if we are in one country and we want to eliminate poverty in this country, that requires us to place obligations on all aspects of our services, be they health or local government services, in order to achieve that target?

John Howell: I do not recognise any councils as wanting to "decimate" public services. Also, I do not see voters in any such council putting up with that. Ultimately, the test will be at the ballot box for those councils and I believe that people are fundamentally responsible in the way that they deal with child poverty issues, once they have been pointed out to them and they become aware of them.

If one looks at my council, for example, what is applicable in Oxfordshire to tackle child poverty is certainly not the same as in an inner-London borough; the issues do not need to be tackled in the same way. Recognising that is one of the great strengths that we can bring to the diversity that we have in local government, helping us to ensure that we are tackling the issues that are important.

The hon. Lady has argued, and I agree with her, that there are specific issues for London. If that is the case, it is nonsensical to insist that a rural county council must impose a uniform solution to tackle problems that exist in London that may not exist in its own area.

Mr. Baron: I agree with what my hon. Friend is saying. However, is not the complexity of the benefits system another big part of the problem? I think that I am right in suggesting that, according to the Department for Work and Pensions, there is something like £10 billion of unclaimed means-tested benefits in the system. Also, there are great regional variations in the child tax credit. The complexity of the system does not help, either, which is a point that the hon. Lady made.

John Howell: I agree with both my hon. Friend and the hon. Lady; I would love to see a less complex benefits system. However, I would also love to see a greater take-up of the benefits that exist. Again, during an evidence session for the Work and Pensions Committee in June 2009, it became apparent that there was very little in the way of firm targets established by the DWP to increase the rate of take-up of benefits to the maximum level that it could realistically be.

I want to finish with a plea, really. We are still waiting to see a lot of the guidance about what will be imposed on local councils. If we are genuinely to have a light touch, as Ministers promised in the Committee considering the Child Poverty Bill, we need to see that light touch and we need to free up the councils to show it themselves.

Ultimate accountability for child poverty lies with the electorate in those areas and if one looks at the response from organisations such as London Councils and individuals such as the chairman of London Councils, who has welcomed the focus on child poverty in the Child Poverty Bill, one can see that many councils are just aching to take their responsibility for child poverty seriously.

Before I sit down, Mr. Martlew, I should just say that I will be unable to stay to the end of this debate, as I have to be in Committee a little later. I hope that you will accept my apology for that.

10.4 am

Jeremy Corbyn (Islington, North) (Lab): I congratulate my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott), who is my parliamentary neighbour, on securing the debate, on the way in which she presented her case, and on her work to promote the cause of anti-poverty in London and, particularly, the cause of education, especially regarding educational achievement for young black boys. She has done really well in promoting those causes, and she has done a great job representing people in Hackney in desperate need. I also think that her son has had a wonderful and colourful childhood, as not many children get to vote in the Division Lobby at the age of three weeks—there is nothing like bringing up young politicians.

The problems of child poverty in London are obviously very serious. As I said, my hon. Friend and I have neighbouring constituencies, and while we share areas of great poverty, we also share areas of great diversity and excitement. One should not characterise London life as being entirely of grinding poverty—it is not. There is a huge degree of poverty in London, but there is also a degree of vibrancy, which is something that I value very highly and enjoy in my own community.

Andrew Selous (South-West Bedfordshire) (Con): I absolutely agree with the hon. Gentleman's important point about the poor educational performance of certain members of the black population. He is absolutely right to make that point, but does he also recognise that recent figures from the Department for Children, Schools and Families showed that white working-class boys were performing even less well, and would he agree that that is a section of the population that we must not lose sight of either?

Jeremy Corbyn: Absolutely. I do not disagree at all with what the hon. Gentleman says about that issue—indeed, I will come on to it in a moment. The point that I was making was in the context of the excellent work done by my hon. Friend the Member for Hackney, North and Stoke Newington in trying to ensure that the aspirations of young people are met and that those young people are inspired to try to achieve. I will discuss that issue further in a moment, but we should be more than a little careful about promoting endless competition among primary schools and secondary schools through league tables, because that often has a depressive effect on people of whom we should be more supportive.

I want to cite some truly horrendous figures on child poverty. First, there are the figures on the numbers and proportion of children falling below thresholds of low-income material deprivation. The three-year average in London, for the period from 2004 to 2007, was 22 per cent. For the period from 2005 to 2008, it went down to 21 per cent. That represents a slight decline from 400,000 to 300,000. Nevertheless, those 300,000 children—I repeat that they are children—in London living in a degree of poverty is the equivalent of the population of a major city in other parts of the country, or indeed in other parts of the world, living in poverty. Those are truly horrendous figures.

If one looks at the regional poverty tables, before and after housing costs are considered, the figures are extremely significant. The poverty by region statistics, taken as a three-year average from 2005 to 2008, show the percentage of the population below 60 per cent. of median household income for each region. In inner London, the overall figure is 18 per cent. For families with children, the figure is 27 per cent., which means that there were 200,000 people in that particular group. However, if we move down that table and look at the after-housing costs figures, the proportion for inner London becomes 44 per cent., which means that there are 300,000 people in that group.

I am trying to highlight the point that because housing costs in London are so much higher—extraordinarily so—than those in the rest of the country, they are a major factor in both child poverty and poverty in general in London. I will discuss that issue further later in my contribution.

Children growing up in London have the opportunity to see, do and experience just about everything. There are more theatres, cinemas and creative industries—all those types of things—in London than anywhere. The city offers the possibilities for an extremely vibrant childhood. However, there are also enormous barriers to accessing those types of things. I find it very sad when I come across children, including teenagers, in my constituency who have never been on an underground train or outside their own area because they feel insecure, because they do not have enough money to go and enjoy themselves anywhere, or because they just feel that, somehow or other, such opportunities are "not for them". Even in a metropolitan and vibrant city such as London, one finds these amazing contrasts, which I still find quite shocking. It behoves us all to recognise that we must be as supportive as possible of what children do. We must also support schools as much as possible and not be over-prescriptive; I agree with the hon. Member for Henley (John Howell) about that to some extent.

I visit all the primary schools in my constituency as often as I can and spend a lot of time talking to support workers, teachers, school meals workers and others. I

[Jeremy Corbyn]

am constantly struck by how limited the requirements on a school are—the school must get the children in, educate them, follow the curriculum and so on—yet what incredible efforts teaching assistants, teachers and support staff make to support children in other ways. Teachers have queued for three or four hours to come to my advice bureau just to go through a problem faced by one particular family. They are not paid or thanked for doing such things; they do them because they believe in what they do and want to support children. We should pay tribute to the teachers who decide to teach in difficult inner-city environments in order to do their best to inspire children. We should be more supportive of such teachers and recognise their contribution to the lives of many of our young people.

Andrew Selous: I am delighted that the hon. Gentleman has made that point. I also pay tribute to the teachers in my constituency—it is perhaps a slightly more prosperous area—who often engage in similar social work with disadvantaged families. They stay late on Friday nights, perhaps even trying to find a bed for a child whose family has had a row. Does he agree that that is an aspect of the work of teachers of which the Department for Children, Schools and Families is not sufficiently aware?

Jeremy Corbyn: I hope that the Department is aware of it, but the problem is how to recognise and reward it. Teachers' salary levels and housing difficulties are issues. I know that salaries have risen considerably, but we need to retain, and encourage the recruitment of, the best teachers in our inner-city schools. Over the past 10 years, I have certainly seen improvements in schools in my constituency, which now have much more money and equipment and more teachers. Head teachers no longer ring me up in tears because the roof of their school is leaking and they have no money to fix it—that kind of problem does not happen any more. Things have improved, but we have a long way to go on supporting schools and teachers.

My hon. Friend the Member for Hackney, North and Stoke Newington raised the issue of poverty in lone-parent families in particular, as well as in families where one or both parents work for low wages. I have visited all the children's centres in my constituency—we have seven—and they are doing well. It is interesting to spend time in a children's centre and see how they work. The children are brought to the centre at various times in the morning, as a wraparound service is provided, and the parents are offered all kinds of support: from visits from Jobcentre Plus staff, to careers advice, to language and other classes. In other words, parents have a place not only where their children are well looked after, educated at a pre-school level and supported, but where their own aspirations can be improved. That is important. The opening of children's centres and their success for so many of our children is one of the great achievements of the past decade.

My hon. Friend and others discussed the nutritional health of our children, obesity and related issues. Obesity is not necessarily a product of overeating; it is a product of bad food and advice. When children are allowed to snack on rubbish and eat over-watered hamburgers at all hours of the day and night—and when that is combined with a lack of activity—obesity and related problems will follow.

It is easy for columnists and others to keep going on about the burden on schools caused by the health police and healthy eating requirements, but healthy eating is crucial for small children. They need good-quality food, fruit and all the rest of it. The generation currently at school, who cannot bring in sugary sweets or inappropriate food but must have access to fruit and other good things, will grow up understanding much more than their parents about the importance of healthy eating. We should joke less about healthy eating in our schools and give it, and the principles behind it, more serious support.

That leads me to free school meals and access to them. I personally believe in a non-means-tested approach to social support and the benefit system, and I am proud to say that Islington council, on a split vote at last year's budget meeting, agreed to the minority Labour group's proposal to introduce free school meals for all primary school children in my borough, starting this year. I welcome that absolutely. Unfortunately, the council executive decided to interpret "free school meals for all primary school children" as free school meals for all primary school children in six schools—I hasten to add that there are more than six schools in the borough. The provision will be extended to all schools starting next term.

Will the Minister give us her views on the progress made by Islington council and ensure that there are no excessively bureaucratic funding hurdles? The children who would have been eligible for free school meals must still be identified in order to stack up the funding, so unnecessary bureaucratic hurdles have appeared on the horizon.

I would also be grateful if the hon. Member for Rochdale (Paul Rowen), who will speak for the Liberal Democrats, let me know why the Liberal Democrat council has said that if it wins a majority in the council elections on 6 May, it will abolish free school meals for all children across the borough. I have no idea of the thinking behind that, as it seems to be at variance with much else that it has said. I am sure, however, that he will be able to explain it.

Another group experiencing unbelievable poverty in London is the children of asylum seekers—those who have arrived in this country and made an application for asylum. If the application is rejected initially, they may go through the appellant stage, which can last for years. I get letters from the Home Office telling me that my constituents in legacy cases can expect to wait another three years for a reply to their application. The children of such families receive an education, health care and minimal public support, as is right, but the parents often receive absolutely nothing.

A generation of children—the number is large in not just London, but throughout the country—is growing up in the most unbelievable poverty with parents who have no rights to work, to receive benefits, or to do anything but try to survive on their children's minimal benefits or what support friends or family can give them. We are not doing anybody any favours by allowing those children to grow up in such poverty and insecurity when the statistics tell us that, in the long term, most of them will end up staying in this country anyway. We are creating wholly unnecessary misery and poverty.

The biggest factor in child poverty in London is housing costs. In my area, which is fairly typical of inner London, about 40 per cent. of the population lives in social housing—property owned either by the council or by a housing association—on fixed and economic rents. About 30 per cent. of my constituents are owner-occupiers, which is a low proportion compared with the national average, and one that is declining fast. Again, that is typical of inner London; owner-occupation levels are declining fast because people cannot sell their property, so they move and rent it out privately.

The private rented sector is the fastest growing sector, and the rents charged there are unbelievable. I met a family recently who lived in an ex-council flat that had been bought under the right to buy some years ago. For a two-bedroom walk-up council flat on an estate, that family was paying £250 a week. That is not the highest amount; some pay far more than that. I have come across figures of £400 a week for ex-council property, which is high by any standard.

Who pays that rent? In the majority of cases, the housing benefits system pays it. We have got into the crazy situation of saying that there is a market rent and that the housing benefit system will support it. The market is therefore supported by the housing benefit system. I have made that point to successive Secretaries of State for Work and Pensions. I know that they understand the issues and that there are changes on the way, but I hope that we will be bold and go a lot further by bringing in rent controls for the private sector.

I hope that we will look hard at the enormous benefit trap that is implicit in this problem. Most local authorities in London place housing applicants not in council accommodation, but in the private sector, sometimes paying the deposit so that they take up the place. That means that if someone on housing benefit with a family wants to get a job, they must earn enough to pay for the private rent for the flat of £200 to £300 a week. A rent of £300 a week represents £15,000 a year. The Department for Work and Pensions has recognised that problem and has increased the length of time for in-work benefit and for the continuation of housing benefit.

Some 80 per cent. of people in my constituency have no chance of buying property within the constituency. Unless we rapidly invest much more in social housing, housing associations and local authorities in inner-city areas, we will be consigning an awful lot of children to a life of terrible overcrowding and the problems that flow from it, such as illness and underachievement in school.

Ms Abbott: On the contribution of housing issues to child poverty, does my hon. Friend agree that although our Government have a fantastic record on refurbishing old estates and bringing them up to modern standards, they have failed London with their over-reliance on the theory that councils should get out of the business of building new stock and that the market, above all, should be a provider? That was never going to be a practical option in London. I am glad that they have reversed some of that thinking, but it has created a problem.

Jeremy Corbyn: My hon. Friend is right that that has been an enormous problem. This debate is not solely about housing, but that is a major factor in child poverty and child opportunity. I agree that the refurbishment of estates is brilliant and that the decent homes standard is welcome, but unless we get children out of overcrowded flats, their life chances and aspirations will be damaged severely.

We must imagine what it is like to be a young teenager of 13 or 14 in a two-bedroom flat with two other children of roughly the same age. What is it like for a girl to grow up sharing a room with her brothers? There is no space. They might feel embarrassed to bring friends home and they might not want to stay over with other friends because they cannot reciprocate. Those things might seem minor to us, but they are major for the children of that age group who have that lifestyle. We must invest all we can in building housing for the adults of tomorrow—the children of today.

My final point is about job opportunities and barriers to work and training. The levels of unemployment in inner London are high by London averages and are usually above the national average. That puzzles and concerns me. The southern part of my borough and the constituencies of my hon. Friends the Members for Islington, South and Finsbury (Emily Thornberry) and for Hackney, South and Shoreditch (Meg Hillier) border the City of London. The City is a major employer. From the high-rise flats in our constituencies, we can see the gleaming office towers of the City of London. Do many of our children get jobs there? No. Do they travel there to work? No. Are they unemployed? Yes. Are they lacking job opportunities? Absolutely. There is a disconnect in London between opportunities for work and children living in the inner-London ring. I do not have all the solutions, but I know that the problem exists.

Ms Abbott: Some might argue that more young people in Hackney and Islington do not get jobs in the City because they do not have the requisite white-collar qualifications. An even bigger scandal is the relatively small number of children from Olympic boroughs who are apprentices, labourers, builders, plasterers and carpenters on the Olympic site. The Olympics provided an opportunity for our semi-skilled young people and those in manual trades to get jobs, but it appears to have been missed.

Jeremy Corbyn: Absolutely. Olympic building, as with any other building, ought to be an opportunity for training and development. Local colleges are not making sensible decisions. Carpentry, plastering and bricklaying courses have been closed down and yet people wonder why there is a shortage of carpenters, bricklayers and plasterers. It is not rocket science to recognise that if we do not invest in those skills at college level, it will result in skill shortages, underachievement and poverty.

Opportunities for work are important. It is important that the barriers that stop parents of young children going to work are removed through Sure Start, children's centres, a more benign benefit system and a less bureaucratic approach. It is important to ensure that the minimum wage means at least that, if not more in the case of London. We must provide educational opportunities to parents so that they can take up new courses and receive education, if they did not achieve in school.

The 1980s was a period of mass unemployment in this country, as much in central London as in the south Wales valleys, the north-east or the north-west. At the height of the 1980s depression, unemployment in my

[Jeremy Corbyn]

constituency was at about 20 per cent. That was as high as anywhere in the country, although it was probably even higher in Hackney and other parts of east London.

This crisis is an opportunity to redress the imbalance between the rich and poor in our society. We should defend and maintain public expenditure. It will do us no favours if we start cutting public expenditure, removing services and losing public sector jobs. The public sector is a major employer in the poorest parts of the country. Such an approach would risk another generation losing the possibility of work. As my hon. Friend the Member for Hackney North and Stoke Newington explained, children who grow up in households in which neither parent works, or none of the grandparents have ever worked, do not aspire to go to work themselves. I therefore hope that we will maintain or increase public expenditure on socially valuable and useful work. We owe it to our children to eliminate poverty so that they can make the very best of this wonderful city of London.

10.27 am

Paul Rowen (Rochdale) (LD): I congratulate the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) on initiating this debate and on her thoughtful and thought-provoking views on child poverty and its effects on our capital city. I agree with her that as well as the issues that affect child poverty in general, there are specific issues with regard to our capital city. Solutions ought to be found to those problems.

In their first term, the Government set the laudable and impressive target of halving child poverty by 2010 and eliminating it by 2020. It is disappointing that in 2010, 3 million children still live in poverty, 600,000 of whom live in London. Given that we have the sixth richest capital in the world, that is very disappointing. I agree with the hon. Lady that it is easy when moving around the city not to see some of the issues or appreciate the poverty that many people are living in.

The hon. Lady highlighted eloquently some of the issues that politicians of all parties must tackle if we are serious about tackling child poverty. They are the worklessness cycle, the benefits trap and poor housing. I agree with what the hon. Member for Islington, North (Jeremy Corbyn) said about housing being an issue that affects London more than any other region. My region—the north-west—has the largest number of children in poverty after London, so I appreciate some of those problems. Alongside the problem of housing, there is a lack of educational achievement and opportunities. Perhaps more peculiar to London is the problem that very high child care costs discourage many people from taking employment. We must tackle a range of issues with a range of policies.

To their credit, the Government introduced the national minimum wage, but what has not been mentioned so far is that there is a living wage for London, which takes account of some of the particular factors in London. Last year, that living wage was £7.45 an hour, which is higher than the national minimum wage. After some publicity last year by the Zacchaeus 2000 Trust, the Department for Children, Schools and Families agreed that it would pay its cleaning staff—contract and non-contract—the London living wage. I would be interested to hear from the Minister whether the Department for Work and Pensions is paying the London living wage, because I suspect that it is probably not. If we are talking about doing something, that should be dealt with.

Several hon. Members have mentioned the benefits trap, the 50-odd different benefits for which people can apply and the disincentives. As the hon. Member for Hackney, North and Stoke Newington said, the benefits system should be simplified, because we are concerned that if someone is receiving tax credits and they are working a small amount of extra overtime or additional hours, it can throw the whole system into disarray. Through no fault of their own, someone can end up owing hundreds of pounds. The system is inflexible and people have to go through umpteen call centres to try to get something rectified. We have said that one simple thing that ought to happen is that the level of tax credit should be set for the year and changed annually, rather than being constantly changed every time someone does something.

The Child Poverty Bill is currently in the House of Lords. I hope that the hon. Member for South-West Bedfordshire (Andrew Selous) will reassure us with regard to that measure, because some Liberal Democrat Members of the House of Lords are expressing concern that the Conservatives might attempt to sidetrack the development of the legislation. I agree with the general point that has been made, particularly by the London Child Poverty Network and several hon. Members: the issue is not just about giving local authorities more responsibility; real power and finance need to be devolved, otherwise those freedoms will not be successful.

On the review of housing benefit, I agree with what the hon. Member for Hackney, North and Stoke Newington said about it being more sensible to ensure that someone is back in work for six months. That is certainly something we would want to be developed. The number of apprentices has been mentioned. It is disappointing that there are only 350 apprentices on the London Olympic site. That golden opportunity has not been grasped. When many local authorities deal with public sector building, they try to make it a condition of the contract that local labour is employed and a number of apprentices are taken on.

Ms Abbott: For some time, I have raised the issue of local employment on the Olympic site. Far from recruiting afresh, the big contractors on the Olympic site have switched people who work for them on sites all over the south-east to the Olympic sites. Not only is the number of apprentices there very low, but the number of young people from Olympic boroughs within that figure is even lower.

Paul Rowen: I agree. That is something about which the Olympic Delivery Authority ought to be taken to task. Last week was national apprenticeship week and, probably like many hon. Members, I visited a company that had taken on a number of apprentices. A company that has its headquarters in my constituency of Rochdale has a contract with Hackney council and, as part of that deal, it took on eight apprentices. I understand that five of them are still working permanently with that company. There is a will and progress can be made, but we need to do more to ensure that it happens.

On dealing with some of the wider issues, such as the benefits trap and encouraging more people to work, my party's policies for fair taxes, which we will put forward at the general election, will ensure that everyone who earns less than £10,000 and everybody's first £10,000

will not be taxed. That would give people and families an immediate increase of £700 a year in their pocket, and would be paid for by ensuring that some of the people—there are many in London—who pay 18 per cent. on capital gains pay a lot more. Our mansion tax—£2 million—would go some way towards paying for that. We think policies such as that and fair taxation will, again, encourage people back into work. In the same way, the pupil premium is also the way forward. That involves paying schools, so that they are funded to the level of the best independent schools, and would allow them to spend that money how they want, without central Government dictating how it should be spent with yet more targets.

On housing, which is a particular problem for London, we must bring more empty properties into use. There is not necessarily a lack of properties in London, but there is a lack of them available at a price people can afford. Articles in newspapers such as the *Daily Mail* about the amount of housing benefit that certain individuals receive obscures the problem rather than providing a solution.

The hon. Member for Islington, North mentioned asylum seekers. Again, my party agrees with him: asylum seekers should be allowed to work. The current system is a disgrace in terms of the length of time it takes to decide on the position of asylum seekers. I shall also mention something he did not talk about, which relates to the work of the Southall Black Sisters in dealing with women who have no recourse to public funds because their marriage has broken down. Again, two years ago, the Government promised some changes on that, but they have not happened. We are still seeing women on the streets because they have come to this country, their marriage has broken down and they are not entitled to receive any public help.

Mr. Eric Martlew (in the Chair): Order. I am sure you want to leave time for the Minister and the Opposition spokesman to contribute.

Paul Rowen: Certainly. I am just winding up now, Mr. Martlew.

As I said, we would like that matter to be resolved. I was asked about free school meals by the hon. Member for Islington, North. I am not aware of what Islington council is doing. As a party, we supported the introduction of the free school meals trial, and that is what we would want to take place. I shall conclude there to allow others to contribute.

10.39 am

Andrew Selous (South-West Bedfordshire) (Con): I congratulate the hon. Member for Hackney, North and Stoke Newington (Ms Abbott) on securing the debate. She is absolutely right that London has particular child poverty issues and that no Government will successfully eradicate child poverty without paying special attention to London. I am grateful to her for securing the debate so that we can consider some of the issues. It is shocking that the children of black and minority ethnic communities are three times more likely to be in poverty than white children. That is a particular issue for London, and something that is wholly unacceptable.

London also has a higher proportion of lone-parent families, and as we know from the Government's households below average income tables, that increases the likelihood of children growing up in poverty. My party backs the Child Poverty Bill and is scrutinising it fully in the Lords—we make no apology for that. For example, my colleague, Lord Freud, was able to scrutinise Ministers on the lack of an adequate definition of socio-economic disadvantage in the Bill. The Bill is proceeding in the Lords, and rightly so.

Getting families into work in London is incredibly important. One of the great ironies about London is that although it is a great world city that has created jobs over the past decade and brought people from around the world here to work, there are such high levels of worklessness among families in London. One of my party's proposals is to bring in a work programme. We are not satisfied with the results of the Government's welfare and work programmes over the past decade. We intend to bring in a single, integrated welfare-to-work programme that will cover all those transferring from incapacity benefit to employment and support allowance as a result of work tests.

The work programme will also cover the long-term unemployed, lone parents and the recently unemployed. It will be a fully funded programme that will replace the Government's new deals, which have not been as successful as they could and should have been, the flexible new deal and pathways to work. We will offer support to the vast majority of the people currently on incapacity benefit who have been abandoned by the Government. Through the work programme, we will offer people targeted, personalised help sooner—straight away for those with serious barriers to work, and at six months for under-25s.

Providers will be paid by results, thus driving up quality and encouraging innovation. The principle behind payment by results is simple: if a provider does not place someone in a sustainable job, they do not earn their fee. A sustainable job, as far as we are concerned, means placing someone in work for a year or longer, unlike the flexible new deal, which rewards providers when someone has been in work for just 26 weeks. The programme is about transforming people's lives, not just a quick fix.

We will also extend the period of engagement that providers have with claimants so that they can work with them over the medium to long term, thus delivering better results for those individuals. In a difficult job market, which sadly we face at present, that will also mean that providers will have a better chance of placing someone in a job and earning their fee. Under the flexible new deal, if an individual has been with a provider for a year and still not found a job, they are returned to Jobcentre Plus to begin the whole process again. That makes the flexible new deal a flawed scheme, particularly when vacancies are scarce, so we are taking a different approach to getting people back to work.

One issue in London that has been mentioned by several hon. Members—helpfully, it is addressed in the London Child Poverty Commission's report "Capital Gains", which was published in February 2008—is the shortage of part-time jobs, job-share opportunities and flexible working in the capital. Part-time work is absolutely key for parents with caring commitments and is often the first step to help them get back into the labour market. Although some employment practices of the Department for Work and Pensions are quite good, the Government have failed to lead by example in that area.

[Andrew Selous]

as many Departments have shockingly low levels of part-time and flexible working. The Government are a major employer and should be leading by example in that area, if they expect private employers to do the same.

Several hon. Members have rightly touched on the need for reform of the benefits system. My right hon. Friend the Member for Chingford and Woodford Green (Mr. Duncan Smith) has undertaken a major study in that area and produced a report, "Dynamic Benefits", the two principal conclusions of which are that we need to look much more carefully at earnings disregards and that we need to reduce withdrawal or taper rates, particularly for housing benefit. I was glad that the hon. Member for Hackney, North and Stoke Newington mentioned that point in her speech. We have proposed a reform to housing benefit that would allow tenants to choose to whom they pay their local housing allowance. That might seem a technical matter, but it is important, because it would increase the number of landlords who were prepared to offer their properties for social renting.

I was glad that the Olympics were raised in the debate. It is a scandal that young, indigenous Londoners of all backgrounds do not have more jobs on the site. Frankly, that is a missed opportunity. The hon. Member for Islington, North (Jeremy Corbyn) mentioned that many young people in his borough did not look to the City for work, either because there are barriers in place, or because it is just not somewhere they consider going. That is a real issue within London. I talk to many groups working with out-of-work families, and it seems that sometimes people put constraints on where they are prepared to look for work, so anything we can do within schools to encourage children to have broader horizons physically—with regard to where they work—is incredibly important and will secure great benefits. We must also ensure that people in work, particularly in low-skilled jobs, have the means to improve their skills to advance themselves through what I call the ABC approach—a job, a better job, a career—so that they do not get stuck in low-paid jobs.

Skills are obviously an aspect of that, and I was delighted to read some comments made by the Mayor of London about skills at the London schools and the black child conference in 2009. On black and minority ethnic issues, to which we referred earlier, he talked about the importance of recruiting more teachers from the black and Asian communities, keeping children in school, tackling truancy and dealing with exclusions. I note, in particular, that the Mayor's fund for London is working to inspire young people from disadvantaged backgrounds to stay on in education and have role models so that they can aspire to jobs that are perhaps better than those that their parents or grandparents have had.

We also know that within London there have been huge levels of immigration, and it is important that we bring immigration under control and improve the education and training of British workers. It is an irony, as I mentioned earlier, that London has sucked in workers and that jobs have been created here, but that they have bypassed many people who have remained on the welfare system—frankly that is not good enough. I want the children in the boroughs surrounding the Olympic park to benefit this year from the great opportunities there in construction and elsewhere.

There has been no mention of enterprise or business in the debate, which is a great omission. The hon. Member for Hackney, North and Stoke Newington was right to pay attention to the important role of the public sector in providing jobs, but there must be a balance. We have to get London's small and medium-sized enterprises creating more jobs, because otherwise there will not be the money to pay for the decent public services that she and I want in London.

I am therefore pleased by several actions that the Mayor is taking in his economic recovery plan to help business and to create jobs within London so that we deal with the poverty that we are talking about. He is looking at providing greater flexibility in the range of funds available for small businesses. He has created an economic recovery and investment fund to provide debt and equity finance to small businesses that cannot get that money from the banks. He is ensuring that small and medium-sized enterprises are paid by London public bodies under his control within 10 days, because cash flow is vital to ensuring that people keep their jobs. He is ensuring that contracts are open to SMEs in London, and he is speeding up planning permission.

Mr. Eric Martlew (in the Chair): Order. I am sure that the hon. Gentleman would like to leave the Minister some time to respond to the debate.

Andrew Selous: I will conclude in one minute, Mr. Martlew.

The Mayor wants to see tax relief on travelcards. That is already in place in Nottingham, Bristol and Edinburgh, so why not in London? He is also ensuring the roll-out of the London living wage, which is currently £7.60, and that even premier league football clubs in London pay that to the staff on their premises. He is developing an empty property scheme for small and start-up companies in addition to pop-up shops.

Finally, on the issue of single parents, which was touched on earlier, I would like to refer briefly to *The Economic Journal* report by Richard Dickens and David Ellwood that shows that reducing the number of single parents and increasing family stability are critical to reducing child poverty. Lord Giddens said that he did not think there were academic studies on the subject, but I point him to that report, which is important as far as defeating child poverty in London is concerned.

10.50 am

The Parliamentary Under-Secretary of State for Work and Pensions (Helen Goodman): It is a pleasure to serve under your chairmanship this morning, Mr. Martlew.

I congratulate my hon. Friend the Member for Hackney, North and Stoke Newington (Ms Abbott) on securing a debate on this extremely important topic. She is absolutely right: child poverty is a serious problem in London, where it is 27 per cent., compared with the national average of 23 per cent. Given the extremes of wealth and poverty in the city, such a huge gap is a particular disgrace. Other hon. Members said that one of the main reasons for it is that parental employment in the capital is 8 per cent. lower than in the rest of the country and there is a particular shortage of part-time jobs.

My hon. Friend spoke about the Save the Children report, which suggested that the problem was getting worse for those on the lowest incomes. I would like to point out that the figures that it used were from 2007,

and that the measures that we have taken since then will have reduced the number of children in poverty by a further 550,000. We are waiting for more up-to-date figures to see what the position actually is. At one point, I thought that she would come out as a one-nation Tory, but she held back from that conversion.

In the recession, as my hon. Friend said, the working tax credit acts as an important stabiliser, and, crucially, we are supporting the labour market. We have put £5 billion into new programmes, particularly the future jobs fund and Backing Young Britain. Such measures are designed to maintain family incomes and to avoid the kind of desperately high unemployment that my hon. Friend the Member for Islington, North (Jeremy Corbyn) said existed in his constituency 20 years ago.

One of the important things in the Child Poverty Bill is part 2, the whole of which is about the contribution of local authorities. It will mean that local authorities in London can work to design strategies that are particularly suited to the needs in their area. I shall give my hon. Friend the Member for Hackney, North and Stoke Newington a copy of a big research report that we just published, "Ethnicity and child poverty", which shows that a particular penalty is faced by members of ethnic minority communities. We must also address that.

Hon. Members spoke about the housing benefit system. They will know that we have just produced a consultation document, which has as one of its central objectives shifting work incentives by introducing fixed period awards and run-ons when a person moves into work. I remind hon. Members that housing benefit is an in-work benefit, which means that it should not disincentivise people from taking work.

One of the important things that we have done is set up a large, multi-party group called the London child poverty delivery group. In January, a group on part-time working was launched to promote part-time working in the city and to address the real problems faced by people in part-time work.

My hon. Friend spoke about the high costs of child care in the city. We are running important child care affordability pilots to look at the impact of changing the amount of money that is reimbursed from 80 per cent. to 100 per cent. and to examine actual costs. We will be able to see what impact that will have and then develop public services that actually do the trick.

My hon. Friends the Members for Hackney, North and Stoke Newington and for Islington, North both spoke about the importance of free school meals, and I could not agree more. I was delighted by the Chancellor of the Exchequer's announcement in December about extending free school meals but appalled to hear that a Liberal Democrat council is proposing to cut entitlement to them. I cannot understand why, in a borough such as Islington, that is being proposed by a party that aspires to be taken seriously. I hope very much that we can address the bureaucratic problems that my hon. Friend the Member for Islington, North raised.

I continue to be surprised by the position of the hon. Member for South-West Bedfordshire (Andrew Selous), who is the Opposition spokesman. He purports in all the debates that we have on child poverty to be extremely concerned about the issue, yet he belongs to a party that proposes to divert resources from Sure Start and health visiting, and to cut the number of people who can get child tax credits and child trust funds.

Andrew Selous: Will the Minister give way?

Helen Goodman: No, I am sorry. I do not have time because the hon. Gentleman did not leave me enough.

I understand why the hon. Member for Rochdale (Paul Rowen) raised questions about the main Opposition party's commitment to the income targets in the Child Poverty Bill. For example, only yesterday, the noble Lord Freud said:

"The targets measure household income as a proxy and, although there might be some correlation between the experience of a child and the level of household income, in many cases it is not a perfect proxy...The Bill is drafted around financial targets, but those targets do not measure child poverty, they measure household income." —[*Official Report, House of Lords*, 8 February 2010; Vol. 717, c. GC143.]

That is an extraordinary statement from a party that purports to be interested in the family.

Lord Freud also said in an earlier Committee debate on the Bill:

"Measurement is clearly important, but the risk is that the measures, being purely financial, drive state intervention in a particular direction." —[*Official Report, House of Lords*, 19 January 2010; Vol. 716, c. GC130.]

What direction is that? What direction would he prefer? We know that Her Majesty's Opposition are proposing to reintroduce a married couple's allowance. The direction that that would take us in would give the bottom decile—the poorest people in this country—an extra £30 a year while giving the top decile an extra £380 a year. That is the direction that the Opposition want to take, and it would obviously have a serious and severe impact in London.

The Economist says this week that the proposal

"does nothing for workless households. It would help only 11 per cent. of...British children in poverty, while handing bonuses to plenty of well-off people. That would be a bad idea at any time; in a period when the state must tighten its belt it is an extraordinary proposal."

I could not agree more. It seems utterly perverse to go down such a path when we could spend the same amount of money lifting 750,000 children out of poverty.

Let me return to housing in London. All hon. Members pointed out how significant the lack of affordable housing is. The Government have pledged £2.8 billion over the period 2009-11 as part of the £7.5 billion that we are spending to produce 112,000 affordable homes across the country. It is therefore extremely unfortunate and disappointing that the Mayor of London is stretching the 50,000 target for affordable homes that we had previously from three to four years.

My hon. Friend the Member for Hackney, North and Stoke Newington raised an extremely important issue this morning. She discussed lone parents and the need to get them back to work, and I very much hope that she will take part in debates on a statutory instrument that we will introduce to ensure that lone parents are required to work only during the hours when their children are at school.

Conflict Prevention

10.59 am

Simon Hughes (North Southwark and Bermondsey) (LD): I am grateful to Mr. Speaker for selecting the debate on conflict prevention.

I am pleased to see in this Chamber my colleagues the hon. Members for Hayes and Harlington (John McDonnell) and for South-West Devon (Mr. Streeter) who, with me, are proud to be co-chairs of our all-party parliamentary group on conflict issues. It is out of the work of that group, which was formed in 2006, and out of the work of lots of other colleagues in this Chamber and elsewhere in the House, that this debate is born.

It is a fact that, not just in this Parliament and this country, but in all democracies, people are realising that unless we become better at conflict prevention we will commit the world to a continuing succession of terrible conflicts that take their toll, and that conflict prevention is a wonderfully useful investment. The money spent on conflict prevention is repaid many times through avoiding the conflicts that might otherwise follow.

Out of the all-party group, the Parliamentarians Network for Conflict Prevention and Human Security was formed in Brussels about a year and a half ago. The United Kingdom launch of that group happened in March last year: the Archbishop of York gave the keynote address and the Foreign Secretary sent a welcome message. It was not accidental that that group met here on the eve of the G20. We recognise and pay tribute to the G7, and later the G8 and the G20—including significant input by our Prime Minister—which have ensured that conflict prevention has been on not just the UK but the international agenda.

I am encouraged that a significant number of colleagues in the House in many different parties signed early-day motion 81, which I tabled on behalf of our group. I thank colleagues for signing it.

I am happy to see the Minister of State, Foreign and Commonwealth Office in his seat. His Department takes the lead on delivering these matters across three principal Departments: the Ministry of Defence, the Department for International Development and the Foreign and Commonwealth Office. I know that the Minister will want to be honest with the House and robust in setting out the Government's commitment to this agenda.

I pay tribute to the Government for the work that they have already done. It was clear from the time that they came to office that conflict prevention mattered to the Labour Government. Conflict prevention featured clearly in each of the Labour party's manifestos since 1997. I acknowledge and pay tribute to that fact. I acknowledge also, in the presence of the hon. Member for Aylesbury (Mr. Lidington) who speaks for the Conservative party, that this year, as shown in the document produced by his party on these issues, his party has understood and has now made it clear that conflict prevention will be an important part of its foreign and defence policy agenda. I pay tribute to those who helped produce that document.

It is not accidental that this debate is happening now. One of our objectives—I am direct about this—is to ensure that when each of our three major parties, and other parties, write their manifestos, conflict prevention is there clearly for all to see. Now is exactly the time for such a debate, when we are seeking to influence the agenda for the next Parliament and the next Government, whatever their composition. I hope that all parties will make it clear that this matter should not divide us when we need to be united and strong in making strong statements.

Bob Spink (Castle Point) (Ind): As the hon. Gentleman is moving away from his introductory remarks, I warmly congratulate him on bringing this matter before the Chamber. He mentioned at the beginning of his speech the importance of the cost-effectiveness of conflict prevention. Does he agree that cancelling the massively expensive and eventually wasteful Trident project could be a cost-effective, sound step towards a safer world?

Simon Hughes: The hon. Gentleman is right to ask that question, because it is on everybody's agenda. I can give him a clear answer to that. My party is committed to ensuring that we do not have a like-for-like replacement for Trident. We made that clear some years ago, not just because we believe that we need to find savings in those parts of our Budget that are hugely expensive, relatively, but because if we are seeking the safer world that we all want, multilaterally, we need to take the initiative. We in the United Kingdom—historically one of the world's great military powers—need to be leading, not following. I am conscious that this is the year of the multilateral negotiations on defence. Our position is clear and we will repeat it in the manifesto whenever the general election is called.

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): I seek clarification from the hon. Gentleman and thank him for his kind words about the role that we have tried to play. In previous debates on this issue in recent times we have been told by his colleagues that the Lib Dems are conducting a review on what they are to do about Trident. The hon. Gentleman has just announced that we are not to have a like-for-like replacement. Will he be clear and say what that means? How does that fit with his colleagues saying, "We haven't made our mind up yet. No decision made. We're in the middle of a review process"?

Simon Hughes: I can do that, although I do not want to be distracted into turning this into a debate about the future of Trident.

Mr. Eric Martlew (in the Chair): Order. That would not be appropriate.

Simon Hughes: Thank you, Mr. Martlew. I shall try to give a short answer and then return to my central focus. My right hon. and learned Friend the Member for North-East Fife (Sir Menzies Campbell) has been asked by our party leader to conduct a review. I will not pre-empt his announcement. But the party has already made it clear—my right hon. and learned Friend made it clear when he was leader, and I spoke in the debate at our party conference that addressed this issue—that we are not in favour of a like-for-like replacement for Trident. Therefore we do not take the same view as the Government, who announced their position some years ago, long before they needed to, or the Conservative party. The detail of the review will be announced by our party in due course.

My hon. Friend the Member for Montgomeryshire (Lembit Öpik) has joined us. Many colleagues, including him and my hon. Friends the Members for Edinburgh, West (John Barrett) and for Berwickshire, Roxburgh and Selkirk (Mr. Moore), have persistently asked oral and written questions of the FCO and DFID on issues to do with conflict prevention. I pay tribute to their interest and to the fact that we have been able today to pull together all that interest in what I think is the first formal debate on conflict prevention for many years.

I have one other objection that I put up front straight away. We have annual debates in the House on each of the services. I hope that we will now have an annual debate on conflict prevention. [HON. MEMBERS: "Hear, hear."] I hope that the Minister reflects on that and commits to it today or asks his colleagues to commit to doing so before the general election. The House would benefit from that and it would be good if the country knew that we took this matter so seriously that debating these things was not an accident of a ballot but something to which we returned regularly.

I want to make two short comments, setting the scene, because a goodly number of hon. Members are present and I do not want to take their time or prevent strong voices from being heard about why this matter is so important and where we need to go next.

When the Parliamentarians Network for Conflict Prevention and Human Security was launched, under the auspices of the EastWest Institute, it produced a simple, persuasive fact sheet with a table showing the number of wars that ended in negotiated settlement, rather than military victory, in the 1990s and since 2000. It will not surprise you, Mr. Martlew, to know that many more wars ended in negotiated settlement than in military victory: 42 in the '90s, compared with 23 by military victory. In this decade so far, at the time this fact sheet was produced, 17 conflicts were ended by negotiated settlement and four by military victory. However, the reality is that 50 per cent. of peace agreements do not hold, often because the peace has been imposed from the top rather than being built up from the bottom.

One of the great successes of recent years has been in Kenya, where it was clear that a bottom-up peace process following the difficulties managed to lock in the peace that had been arrived at with such difficulty. Africa as a whole has learned the lesson of needing to do that. Success in Ghana and its ability to have a peaceful transition to different Governments has been due to its much more developed grass-roots network of engagement in such exercises.

The financial figures are the most telling. The direct average cost of one conflict is $64 billion. When that figure was published, there were 70 ongoing or potential conflicts worldwide, and that sum translated into $17.5 trillion in cumulative, direct costs. For every dollar spent on conflict prevention, states spend some $2,000 on weapons and military budgets. That is a central and telling fact.

Jeremy Corbyn (Islington, North) (Lab): I congratulate the hon. Gentleman on securing this debate. Will he reflect—I am sure that his group would—on the situation in central America, where there has been a series of bitter conflicts, some of which are ongoing, with denial of human rights, abuses, and enormous security and military expenditure, except in Costa Rica which abolished its army in 1949, and systematically spent more on education and welfare than any other country in the region? It seems to be a much more stable and friendly place as a result.

Mr. Eric Martlew (in the Chair): Order. Interventions should be short.

Simon Hughes: The hon. Gentleman is right, and he has worked long and hard on Latin American issues, as I have, but to a lesser extent. Costa Rica is one of the few countries where such matters are written into the constitution, and Japan is another. It is a telling consideration when countries understand the benefit of that political position. The frustration of many people about the attempts to obtain equality in the world and some sort of redistribution and justice is that some of the poorest countries spend so much of their finance on defence and military equipment—up to 50 per cent. in some cases.

A country in which I have taken an interest for a long time is Sri Lanka, where a terrible civil war ended only last year and there are still repercussions. It has had a huge military budget, and if there had been equal spending on peace-building and conflict prevention among the communities over the years, the whole country would have benefited and there would not have been the deaths and terrible political legacy.

Latin America and single countries such as Sri Lanka are not the only ones to have had conflicts. I could list the countries where there have been ongoing conflicts and conflict prevention has not prevailed. When I was elected, there was, as now, ongoing tension and conflict in the middle east—it recurs regularly—between Israel, Palestine and surrounding states. Cyprus is still not at peace, so the problem exists on this continent in an EU member state and Commonwealth country. There were terrible tragedies in southern Europe in the former Yugoslavia, and it is partly the international community's failures in places such Srebenica and Darfur in Africa that have made people realise that we must have different strategies.

In Africa, we did not manage to prevent the terrible civil war in Sierra Leone, but it is obvious that conflict prevention strategies are still needed to ensure that its growing and improving democracy, and that of Liberia next door, are secure in an area where a frequent cause of conflict—the battle over resources—is still alive and well, whether they are mineral resources as in that area, or other resources elsewhere. Nigeria in west Africa is still not stable because of the religious conflict between Muslim and Christian communities. The other day, the Indian Government instigated a welcome reconciliation initiative on Kashmir, where conflict has continued since the end of the second world war and since the UK pulled out of what became India, Pakistan and Bangladesh.

The world has many conflicts, and I am conscious that in their response the Government have tried to identify the specific regions to which they are committed and in which they will invest. A key document, which may sound technical to people outside the House, is unexcitingly called, "PSA Delivery Agreement 30". Its slightly more exciting subtitle is, "Reduce the impact of conflict through enhanced UK and international efforts". It is a good source document, and it sets out what the Government wanted to pull together across Departments at the end of 2007.

[Simon Hughes]

There have of course been problems since then, and the reality is that, as the Minister will know, there was considerable criticism of the 2009 Budget settlement, because it seemed that the conflict prevention budget had been cut considerably. I have alerted the Minister to the sort of factual questions that I hope he will answer today, and I hope that one will be specifically about the budgetary commitments now and the Government's planned budgetary commitments for the years immediately ahead.

Lembit Öpik (Montgomeryshire) (LD): I congratulate my hon. Friend on securing this debate, the subject of which I agree with. Given the Government's superlative achievement of what I believe is lasting peace in Northern Ireland, does he believe that we could apply the sort of strategies that he is describing and that the Government successful applied in Northern Ireland to large conflicts such as Afghanistan? I am on record as saying that we should withdraw militarily from Afghanistan now. Is there any mileage in learning the lessons from Northern Ireland and the documents that the Government have published and applying them to those larger conflicts?

Simon Hughes: There are certainly lessons to be learned. My hon. Friend knows much more than I do about Northern Ireland from his family links and so on, although I have often been there. The peace there did not happen just because Governments in Dublin and London decided that there should be peace. It did not even happen just because the political parties realised the folly of what they were doing. It happened because the communities, led by women in large measure and young people, decided that peace was necessary. The lessons for conflict prevention around the world are that if the grass roots of communities, often women and often in rural areas, are supported in taking initiatives, they can build the structure for peace. Afghanistan is a good example.

I was privileged to chair a conference in this very room at the time of the summit over the road on Afghanistan a couple of weeks ago, and it is absolutely clear that all the international policy and all the troops in the world will not provide a lasting legacy of peace in Afghanistan. The same applies to countries such as Iraq, which are made up of different communities with different traditions in one country with boundaries that were drawn artificially some time ago. There must also be a bottom-up process.

The cross-party Select Committee on Foreign Affairs welcomes steps that the Government have taken—the single conflict prevention pool of funding, the creation of the stabilisation aid fund, the clear alignment between the Foreign and Commonwealth Office's new public service agreement target on reducing the impact of conflict and the departmental strategic objective 6 on preventing and resolving conflict and developing indicators that make such things clearer. I am pleased that, since President Obama's arrival at the White House, the United States has understood the importance of such matters. Just the other day in January, the Chief of the General Staff made a welcome contribution down the road at the International Institute for Strategic Studies when he made clear the importance, from the military's perspective, of conflict prevention in this country.

I acknowledge and pay tribute not just to the people who support us in the all-party group, but to the groups in this country and elsewhere who lobby, inform, engage and educate on these issues and who are an important part of the debate and the political process. They include International Alert, Peace Direct, Responding to Conflict, Saferworld, the Global Partnership for the Prevention of Armed Conflict and organisations that work to ensure that the next generation understands these matters better than the last.

A few weeks ago in the Macmillan Room, we were privileged to have an organisation called Leap Confronting Conflict, which talked to us about its work with young people. The reality is that if we educate the next generation of young people to understand that conflict can be prevented from home and in schools and communities, it is far more likely that politicians, diplomats and civil servants will be able to prevent conflict in the years ahead.

To return to my questions to the Minister, if the Government accept the spending-to-save argument, why have they reduced funding for the prevention of conflict and for peacekeeping? Can we afford not to increase the money spent on reducing conflict, given that the long-term costs of conflict are so high? I hope that the Minister will tell us what is happening to the total of conflict funds year by year and inform us accurately what Government plans should be and what proportion of the budget will be spent on peacekeeping in the future. I hope that the Government will tell us how much they want to spend—and are spending—on what are called long-term or upstream preventive measures, as opposed to military interventions.

I know the commitment of the Secretary of State for International Development, and everybody agrees that conflict often prevents proper development. Is there likely to be any additional support from the Department for International Development or other Departments towards the Government's conflict prevention activities? Do the Government seek to assess the relative costs of direct military intervention in a specific country, so that they can assess what the costs of alternative strategies would be?

If we contemplate intervention in the future—whether in a place such as Sierra Leone, where we were invited in by many people, or somewhere such as Kosovo, which was clearly controversial both in international law and at home—is there a mechanism to assess the benefits and cost of direct intervention against the cost of preventive and peacekeeping measures in advance? Do the Government look clearly at the benefit of investing in local people—this is the point made by my hon. Friend the Member for Montgomeryshire—so that local communities can build the peace, as opposed to bringing in outside agencies? Given the comments of the Chief of the General Staff in January, it would be valuable to know whether the Government think that they have adequate mechanisms in place to measure the effectiveness of our efforts, both unilaterally as the UK and as part of NATO and the European Union, in preventing violent conflict.

I do not expect the Minister to elaborate in detail on all of those points, but it would be helpful to understand whether the Government see most of this work as multilateral, as opposed to work that they do on their own. In many ways, we are perceived as taking the lead

on such matters. It would be helpful to know what the Government see as a gold standard whereby we can be seen to take the lead not only in those countries where we have a particular interest, but in other countries round the world. Can the Government say with confidence that international mechanisms are in place so that, in this decade just beginning, the assessment is that there is less risk of armed conflict globally than ever before?

I will end with a set of issues. As someone who takes a particular interest for my party in matters of energy and climate change, I am clear that the conflicts of the future are likely to be driven by competition and struggles for resources. Threats caused by the climate crisis are likely to increase rather than reduce the risk of conflict. People will struggle over water, for example, and that heightens the chance of conflict—recently, there was a fear in Bangladesh that its water supplies were likely to be cut off by a dam-building project by India upstream.

Last night, I was with our noble Friend Lord Ashdown who was speaking about the fear of conflict driven by shortages of food in some parts of the world. The reality is that energy, water, food and the other ravages of climate change are likely to be the drivers of conflict, particularly in the less-developed and poorer parts of the world.

At the end of the debate, it would be helpful to hear not only that the Minister understands those issues from the point of view of the Foreign and Commonwealth Office, but that the Government have a coherent strategy. For example, all the information that comes to the Minister's colleagues in the Department of Energy and Climate Change about the risks to, and instability of, global energy supplies could be factored into Government policy, European Union policy and our activities in the United Nations.

My last plea is this: I am a supporter of the United Nations; it has done a fantastic job, but sometimes it does not have the effective ability to intervene where it needs to do so. I return to Sri Lanka—the world was standing by and the UN was powerless to intervene. The right to protect, which has now been accepted in international law, cannot necessarily be invoked when countries need it. When countries are likely to go into that sort of conflict and when they put up barriers and do not allow anybody in, it almost invariably ends up with genocide and a terrible legacy that is a hugely expensive and costly problem to solve for generations to come.

I do not pretend that the world will necessarily be safer in the next 10 years than it has been in any other decade during our lives. The number of conflicts in the world have certainly gone down, but many ongoing conflicts recur and they are not necessarily solved just because peace has come once. I hope that the Government understand that investment by them and by other Governments in effective, bottom-up conflict prevention, regional support systems in the world's continents and the understanding that that must be central to the agenda of the UN, the European Union, other regional organisations and individual Governments is the best way to ensure that the decades ahead have fewer conflicts and far less money spent on defence, armaments and arms exports and that the agenda can be turned to give the world a better chance of a more peaceful future.

Several hon. Members *rose—*

Mr. Eric Martlew (in the Chair): Order. Five hon. Members wish to speak, and I intend to start the winding-up speeches at 12 noon. I hope that hon. Members will bear that in mind.

11.27 am

John McDonnell (Hayes and Harlington) (Lab): I will try to be as brief as possible, Mr. Martlew. I congratulate the hon. Member for North Southwark and Bermondsey (Simon Hughes) on securing this debate. There is a sense of irony in having this debate at this point in time, because we have just lost the 255th soldier in Afghanistan, which matches the loss of life in the Falklands. Furthermore, the US and the UK are preparing for the largest battle of the Afghan war so far. There is a sense of irony, but if anything, that gives a sense of urgency to the debate about conflict prevention.

It has been interesting to see the movement over the past eight years, and the momentum that has been building in the search for an alternative route to avoid conflicts rather than to pursue them. That has been found across all parties, but it has been driven by the Government and from deep within the heart of the military, as seen in some of the statements that we have had.

I congratulate my colleagues the hon. Members for North Southwark and Bermondsey and for South-West Devon (Mr. Streeter), who are joint chairs of the all-party group on conflict issues. I apologise that they have had to shoulder the burden of the all-party group for a couple of years, while I have been battling to save the homes of my constituents at Heathrow—that is another debate, which I will not go in to. I would also like to put on record my tribute to Eddy Canfor-Dumas and all his colleagues who have supported us on a voluntary basis to develop the all-party group. They have shouldered the burden of the hard work.

I came to these discussions in 2003 when, as a result of the work done by Diana Basterfield and others, I introduced a ten-minute Bill to promote a ministry for peace. The concept of the ministry for peace was about having an alternative route to that of conflict, in which the paradigm is changed so that expressions such as, "the best form of defence is attack" are seen as wrong. The best form of defence is actually securing peace and preventing conflict.

How do we do that? Well, instead of having ministries of war or defence, we should imbed the search for peace in the heart of the Government by establishing a ministry for peace. It is a simple concept that has been taken up by the Government. I pay tribute to the infrastructure that has been put in place by the Government and to the personal role that the Prime Minister has played in pursuing conflict prevention at the heart of the Government.

The hon. Member for North Southwark and Bermondsey mentioned some of the structures put in place in recent years, but establishing the conflict prevention pool was a major breakthrough, bringing together the Treasury, the Ministry of Defence, the Foreign and Commonwealth Office and DFID not only to co-ordinate a pool of resources and their work, but to bid competitively for resources to demonstrate how successful they could be in securing peace. That was a real breakthrough.

The stabilisation unit has been developed. That is another joint unit involving the FCO, DFID and the MOD. Within the FCO, there is a unit that deals with

[John McDonnell]

conflict issues but specifically considers human rights. That is another agenda issue that has been discussed time and again in Adjournment debates but that the Government have now taken up. DFID has its own conflict, humanitarian and security department, which is tackling humanitarian, conflict and security and justice issues, particularly those underpinning poverty. Mention has been made of PSA 30. At least we have something that gives us a reporting-back mechanism, with some targets on time scales. We know the weaknesses and vagaries of it, but at least we are moving in the right direction.

I was encouraged by the statement from Sir David Richards, the Chief of the General Staff, in January. It is worth putting on the record as a statement of intent from the military. He said:

"We must put much more emphasis on preventing conflict, on ensuring fragile states do not become the Afghanistan of tomorrow. Whilst this is much more than a military role, we must be structured and resourced to play what can often be a key part... We must get this balance right."

We concur with that across the all-party group.

Lembit Öpik: Does the hon. Gentleman agree that, at heart, what he is discussing is predicated on the assumption that most of our adversaries are sane and motivated, regardless of how objectionable their methods are, and that as long as we have sane, motivated adversaries, the real challenge is to address their motivations? That is much more effective than simply trying to kill them.

John McDonnell: That is exactly the lesson that we have learned in recent years. The hon. Gentleman mentioned Northern Ireland. The issue is addressing the causes of conflict, rather than just the symptoms.

I pay tribute to the organisations mentioned by the hon. Member for North Southwark and Bermondsey that have contributed to our work. I also pay tribute to those in the ministry for peace here and in the Global Alliance for Ministries and Departments of Peace and to Kai Brand-Jacobsen, the inspirational peace worker. People should read his speech from 2006 in Portcullis House on the ministry for peace website, which gives an indication of the pragmatic and practical ways in which we can inspire peace.

I shall give two of the most recent examples of the practical work done by movements elsewhere in the world to secure peace that we and the Government can learn from. In Nairobi in Kenya last week, there was a seminar on building infrastructures for peace, which the UN helped to facilitate. It brought together 14 African countries, which examined a detailed programme of work for establishing structures, methods and resources that would identify potential conflicts and considered not only the problems encouraging those conflicts, particularly the scarcity of resources, which has been mentioned, but the role of development, the impact on the scarcity of resources and the models to be put in place at all levels of Government and civil society to promote peace and prevent conflict. That useful dialogue has occurred in the developing world, which we can learn from, because it deals with civil society structures as much as Government structures.

Costa Rica was mentioned. It is interesting that Costa Rica hosted the Global Alliance for Ministries and Departments of Peace conference. In addition to installing in its own constitution a commitment to peace, it has established a ministry of Justice and Peace. That is the third ministry for peace in the world. President Oscar Arias, the Nobel peace prize winner, opened the global alliance conference and announced the establishment of that Department. Again, there are lessons that we can learn from someone who has practical and pragmatic experience of bringing about peace in his own country and promoting it on that continent, and the Government would do well to listen.

This point was made by the hon. Member for North Southwark and Bermondsey. We need now a commitment to maintain the momentum in government. Given the complexities of budget structures across Departments, I and others, including peace groups, are unsure of the commitment and resources being applied in government to conflict prevention and of what is planned for the long term. It would be helpful today to have some clarity about that. If my hon. Friend the Minister cannot give us clarity, it would be useful if he attended the all-party group and we could have a more comprehensive discussion about the detail of the planned process in government for the investment of resources and about the Government's new ideas about how they can best be co-ordinated across Departments and then linked with advice from civil society organisations and the organisations that we have mentioned, so that the all-party group could be advised.

May I also put this on the table? I do so unilaterally; I have not consulted the joint chairs of the all-party group. I would like the concept of conflict prevention to be taken out of the knockabout of the general election debate, or at least let us set a base that the parties can compete from to best one another. May I make this offer? I apologise if it is unilateral. I think that the all-party group could play a role in bringing all three political parties together to construct a cross-party manifesto for the general election on conflict prevention. It could, for example, set the principle among all political parties that the main direction of their future international policy would be peace, that structures would be established in government, linked with civil society, to promote peace and that that would be adequately resourced. If we can facilitate that dialogue and have that principle installed in the manifesto of each party, it will send the message that we are all committed, determined and serious about conflict prevention and that we will not allow future changes of government to undermine that general direction of policy.

11.36 am

Mr. Gary Streeter (South-West Devon) (Con): I am delighted to follow the other joint chairs of the all-party group. I am attracted to the unilateral offer that has just been put on the table and would happily pick that one up. I also pay tribute to the many groups that support us and do such excellent work. I have very much enjoyed being involved in the group in the past couple of years. That perhaps demonstrates the point that the conflict resolution agenda is not just for *Guardian*-reading left wingers; it cuts right across the political spectrum, although I certainly do not describe myself as a *Telegraph*-reading Tory any longer.

I want to make one simple point in a short speech. I believe that the issue of conflict resolution feeds into a wider debate about the role of Britain in the world that we are having because of the forthcoming strategic defence review and because we have a significant problem with debt, which we all know about. That is forcing us to focus on our priorities. Although there are those in that debate who think that we cannot afford to play the international role that we play in global affairs and that we should retrench and become a Norway, a Switzerland or a country of that ilk, I am firmly of the opinion that that would be a huge mistake, both for us and for the world, and that we have a very significant and special role to play in global affairs.

I suggest that that role increasingly should focus, with all the assets that we have, on our being a country that focuses on peace making. That is a role that Britain can uniquely offer the world. Why do I say that? We have the armed forces. That is a significant asset because we know that sometimes the threat of force or even the use of force is essential in bringing about peace. Hon. Members may not all agree with that, but the threat of force is there. We have an incredible heritage in terms of soft power. The diplomatic skills that we have and the democracy that we enjoy in this country are part of the skill set that we can bring to the table. In addition, we sometimes underplay the vast army of non-governmental organisations, large and small, in this country that have significant experience and that focus on many issues, but particularly conflict resolution and prevention. We have so much to bring to the table; let us bring it.

Some might say, "Who are we to go around talking about peace and conflict resolution and prevention?", because of the struggle that we have had in Northern Ireland for the past 30 or 40 years. I say that that is not a negative. We have gained experience from Northern Ireland. I sat in this room some months ago, at a meeting horribly traduced by the *Daily Mail*, and heard Patrick Magee and the daughter of Sir Anthony Berry, who had been meeting and talking together for years, talking of their reconciliation as individuals. In the end, achieving peace will come down to human beings getting together across divides to resolve issues and differences, as they have done so wonderfully in South Africa as a result of the astonishing leadership of two or three individuals. Our Northern Ireland experience can therefore strengthen our hand, and it gives us useful experience to bring to many tables around the world.

I congratulate the Government on their focus on conflict prevention over their 13 years in office, which are, of course, about to come to a crashing end. I say to my hon. Friend the Member for Aylesbury (Mr. Lidington) that it would be great if policy at the Foreign Office, DFID and the MOD could focus increasingly on peace making, conflict resolution and conflict prevention and if this country increasingly acquired a reputation around the world for using its assets to bring to an end some of the conflicts that are causing such misery and poverty.

Many of my constituents will say, "But what's the national interest in doing this?"

Mr. John Greenway (Ryedale) (Con): It is huge.

Mr. Streeter: My hon. Friend, who speaks from a sedentary position—I am sure that you will feel like ruling him out of order, Mr. Martlew—is absolutely right. We live in a globalising world, and the genie will never be put back in the bottle, so if we can build peace and prosperity in other nations, our children—if we must look at these things in terms of our national interest—will be able to grow up in a safer and better environment. I therefore suggest to the Minister that the UK's future is firmly one of peace making, and I look forward to his response.

11.41 am

Mr. Eric Joyce (Falkirk) (Lab): I congratulate the hon. Member for North Southwark and Bermondsey (Simon Hughes) on his speech. He mentioned that regional conflicts could become international conflicts, and that we need to keep a lid on them at the regional level when we can. We tend to talk about places such as Afghanistan and Iraq, which have become the focus of international attention, but the hon. Gentleman listed a few of the many other places across the world that are witnessing conflicts, and I want to say a few words about the eastern Congo. Most people would not think of it as a place of great strategic interest, and when Governments such as ours think about where to place their emphasis and spend their money, it is not always in such places. It has to be said, however, that the UK Government are actually the main donor to every nation bordering the eastern Congo; that is certainly true of Rwanda and Burundi and, indeed, of the Democratic Republic of the Congo itself.

I want to refer to two UN Security Council resolutions in terms of conflict resolution and prevention. The conflict in the eastern Congo is a consequence of the genocide in Rwanda, which took place in 1994. There are many armed groups in the area, and the Congolese Government have little capacity, so we rely very much on the work of the international community. UN Security Council resolution 1857 relies on member states to give the Security Council the names of people and companies involved in trading minerals in the eastern Congo and the wider region, although the process is not always smooth or easy.

It is often said, although I am never absolutely clear how much truth there is in this, that UK privacy laws make it harder for the UK Government to provide the names of individuals whom they believe might be trading in minerals in the Congo in a bad way. That can simply mean that money is changing hands in a non-transparent way, but we all know what happens when that is the case: the money will invariably fund armed groups. Perhaps the Minister will comment, therefore, on how prepared the UK Government are to provide the names of people and companies operating in the UK, because one or two companies have been mentioned in international and UN documents. Britain is far from the worst offender, but in the case of at least one of the companies involved, we might not be ensuring the free flow to the UN of information that will allow it to take action.

The other UN Security Council resolution is 1906, which essentially relates to having a better focus on international efforts to resolve and prevent conflict in the eastern Congo. The United Nations mission in the Democratic Republic of the Congo, which is the largest UN contingent in the world, with about 20,000 peacekeepers, will reach the end of its current mandate on 31 May. MONUC does its very best to keep a lid on things, but its capacity will always be pretty limited, and

[Mr. Eric Joyce]

many hon. Members who have been to the DRC will have observed that for themselves. The capacity of the armed forces of the Democratic Republic of the Congo is, if I can put it this way, enormously limited; often, they are an offender themselves.

The Congolese Government's remit does not really extend to protecting their citizens in the eastern Congo, so the international effort is all the more important. There are, of course, many other demands on the UN's resources, and each time resolution 1906 comes up for negotiation, there is talk of MONUC's being downsized so that the peacekeepers can be used in other important fields of conflict; indeed, we might hear more about those later. However, I hope that the Minister will assure us that when the new mandate comes up for negotiation—Alan Doss, who is a UK citizen, runs MONUC and is seized of all this—we will keep the same focus on co-ordinating the international effort. I also hope that he can assure us that we will do much more than we have in the past, once the mandate has been negotiated. Of course, we must recognise that there is demand in other parts of the world, but the mandate is extremely important, and I hope that the Government will place it as high as they can up their list of priorities.

11.46 am

Mr. John Greenway (Ryedale) (Con): I want to bring a quite different dimension to the debate by referring to my involvement in work with the Council of Europe Parliamentary Assembly that touches on this important subject. For me and my colleagues, the focus is not so much conflict prevention as conflict resolution, as my hon. Friend the Member for South-West Devon (Mr. Streeter) said. In our experience, the failure to resolve Europe's frozen conflicts is the real cause for concern, certainly in terms of the European geographical dimension.

Last year, the Parliamentary Assembly adopted a report that I had produced under the title of "Europe's forgotten people". It is about the 2.8 million people—yes, it is that many—who are internally displaced within Europe's borders, mostly in the Balkans and the south Caucasus. I had the privilege of going to Armenia, Georgia and Azerbaijan to talk to people about the vexed problem of the still frozen conflict in Nagorno-Karabakh. On behalf of the European Security and Defence Assembly—the old Western European Union Assembly—I have also looked at the security issues in the Balkans, where the failure to resolve frozen conflicts is so important.

Some of the people I met in Armenia still live in appalling conditions, and the situation in Azerbaijan is even worse. However, when I went to Baku to visit new housing developments built by the Azeri Government, I talked to 14 and 15-year-old schoolboys and girls in the street outside their school, and these children, who were born in Baku, not Nagorno-Karabakh, said, "We will go back to Nagorno-Karabakh and fight with our bare hands to get back the country that belongs to us." The failure to resolve such conflicts and frozen problems creates a breeding ground for resentment. As a result, there is real tension in the region, and I am sure that the Minister will refer to it.

I have also had the opportunity to talk to Turkish Ministers about the situation, and there is real hope that reopening the Turkey-Armenia border will help to improve things. Again, however, it is difficult to find a political solution, because a lot of people in Turkey say that they will have to say no to such a development until problems such as that in Cyprus are resolved. However, I do not have time to develop that point further.

The Assembly has looked in great detail at the consequences of the Georgia-Russia conflict, and the conclusion that we quickly reached was that the international community had ignored the warning signs—they were there, but they were not followed. The problems in the region were not resolved, and the consequences have been utterly tragic, with ethnic cleansing, property destroyed and tens of thousands of people left homeless. Two districts of Georgia, Abkhazia and South Ossetia—de facto independent states—are completely in limbo, with no protection from the international community. We should deplore that; it is not good enough.

The hon. Member for North Southwark and Bermondsey (Simon Hughes), whom I congratulate on securing the debate, referred to Africa. Our work suggests that 31 or 32 countries in Africa are directly or indirectly affected by conflict, yet we wonder why people want to leave there and come to Europe. That is the push factor that is driving the problem of immigration. I have said that before, and written reports about it, and it is a great joy to have the opportunity, once in a while, to talk about it in Westminster.

Simon Hughes: The hon. Gentleman is right to mention the importance of migration. Not only does conflict cause migration, but migration in turn causes conflict in the places to which people move.

Mr. Greenway: Absolutely. I wish that there were more time to deal with that, but perhaps we can discuss the issue again on another occasion.

I want to talk about four solutions. First, hon. Members might not know that two weeks ago I was appointed chairman of the Migration Committee of the Parliamentary Assembly of the Council of Europe, after four years of carrying out such work. I am supposed to be leaving Parliament at the election, but I shall get this year, so that is okay—it is so important. We have just agreed a report in the Assembly about the restoration of property rights. It is critical that redress be given to people. That does not necessarily mean saying, "We will give you this flat or house a thousand miles from where you came from." What about redress for the property that was taken? International action on that is critical.

Secondly, more work is needed on the resolution of frozen conflicts. No one has mentioned the European Union, but it is the critical driver. That is also true in relations with Russia. The matter cannot be resolved without the two sides together. The European Union's policy on neighbourhood and development can provide the support that is needed for the countries that are affected.

Thirdly, the enlargement of the European Union is also vital. In the Balkans, all opinion shows that support for European Union membership relies on the benefits of security as well as on economic prosperity. The security issue cannot be overstated. The hon. Member for North Southwark and Bermondsey mentioned Kosovo.

Bosnia and Herzegovina is a problem, and even in Croatia, which is about to join, there are still difficulties. Turkey must be made a member of the European Union as quickly as possible, as Europe can never solve the problems in the middle east without Turkey. If we have Turkey, there is a chance. I know that the issue is a vexed one—the hon. Member for Hayes and Harlington (John McDonnell) frowns—but I have studied the question and held seminars on it, and I believe that that is to be encouraged.

Finally, more attention should be given to the issue of water, resources, energy and food. To go back to the question about that posed by my hon. Friend the Member for South-West Devon in his speech, and my answer that the national interest involved is huge, I made a speech about that to my constituency association about a year ago. One lady asked, "What's it got to do with us?" There was a map on the wall that had been put there by Members of the European Parliament, and I said, "Look at that map on the wall. Show me where the energy is and where it has to come from to get to you." There is the answer.

11.53 am

Mr. David Drew (Stroud) (Lab/Co-op): I am pleased to play tail gunner and to try to sweep up some of the points that have been made—*[Interruption.]* Sorry about that unintentional pun.

I congratulate the hon. Member for North Southwark and Bermondsey (Simon Hughes) on securing the debate. The all-party group on conflict issues is an excellent one, and I shall mention a couple of others. I chair the all-party group on Sudan, which knows a little about conflict, and I also want to mention the all-party group on women, peace and security, which also plays an invaluable part in the work on this issue. I congratulate my hon. Friend the Member for Hayes and Harlington (John McDonnell) on the work he has done for the ministry for peace. When he is not present, I end up chairing most of its meetings, and Diana Basterfield has briefed me on some of what I need to say.

To put matters in context, it is pleasing that the idea of peace institutes and peace studies is no longer seen as marginal, but mainstream. There are now more than 800 peace research institutes in the world, and about 1,500 researchers and 400 academic peace studies departments, so this is not going against the grain any more but with it. Of course, we have much to learn, and there is much to lose if we do not get things right.

There is an irony about timing, given Afghanistan and Iraq. I and other hon. Members get lectured when we travel around the world. We are told, "You are all right when you talk about the conflicts that you accept, but our conflicts are seen to be of a different order, and we are told to get our act together." I hope that we shall not renew the Trident programme, but we are talking about the comprehensive test ban treaty at the same time as considering that. In other parts of the world, that strikes a note of irony, and people look at us open-mouthed and wide-eyed when we cannot see the connections that they make. We must do more to get our house in order.

Among the issues that have not yet come up in the debate, the role of women cannot be overestimated. I am pleased to have been an officer of the all-party group on women, peace and security, which is known in the trade as the 1325 group, after the UN resolution. We can criticise the Ministry of Defence, but it has been very good about recognising the importance of training our troops in such issues as how to deal with women in a conflict zone, including recognising sad instances of rape, abuse and mistreatment. That has a lot to do with cultural awareness-raising, and we have embraced that approach.

As for Sudan, I congratulate the Government on our being in there for the long term. This is a key year in the history of Sudan. The forthcoming elections are of course debatable and dubious, but they must nevertheless take place if we are to get to the referendum on the potential secession of the south in 2011. I am optimistic that we can get through the process, but it will be devilishly difficult. A point that has not come up yet is the crucial role of British diplomats in Sudan. They are part of the troika with the US and Norway, and they are shuttling about—that is not good for the climate, but nevertheless vital—keeping the talking going and trying to deal with conflict resolution, if not prevention.

[Mr. David Amess *in the Chair*]

To give the situation context, and to show how difficult the task is, the comprehensive peace agreement, which is continually questioned and under threat, has not prevented the events in Darfur, which represent, in my view, the first climate change war. It was all to do with nomads coming in and trying to settle where the pastoralists were, and then, as always, the north went in with two boots and to some extent the south reacted. There is always the problem with the east, where there is the potential for conflict easily to spin off from events elsewhere in the country.

What have we learned? We have learned that to bring peace to a country means being in it for the long term. There are no quick fixes; it is necessary to be there reinforcing the peace strategies. We must recognise that the problems are local as well as national. Often civil society capacity building must happen at an incredibly local level. We like to think that peace is breaking out in the south of Sudan at the moment, but there is a huge number of conflicts there, all to do with the usual things such as animal rustling and people falling out over who has taken whose bride. That can easily trigger a much bigger conflict unless we get in there and do the business. Resources have been mentioned, and water is crucial.

We must get hold of the small arms trade, which is a legacy left by the west. The arms might not be coming from the west any more but, as my hon. Friend the Member for Falkirk (Mr. Joyce) said, the problem is being fuelled by all sorts of most unhelpful interventions. There is a need to bear down on those and eventually stop them. Of course, we must have views about how Governments fuel the conflicts, using small arms to repress their populations in their own way. We must keep reinforcing how important it is to stop those trades.

I wish to make two final points. First, our country has, of course, moved forward by signing up to the International Criminal Court sanctions. That makes an awful lot of difference in Sudan because it has an indicted president. It is not easy—some find it quite difficult—to determine how to take that forward, but as

[Mr. David Drew]

we have signed up to the ICC sanctions, we must recognise their importance. Secondly, development must always go alongside conflict prevention, because without development, people will never have the time or space for us.

12 noon.

Jo Swinson (East Dunbartonshire) (LD): I congratulate my hon. Friend the Member for North Southwark and Bermondsey (Simon Hughes) on securing this debate. The time spent by the House debating conflict prevention pales in comparison with the time that we spend discussing conflicts that have not been prevented. Perhaps that balance needs to be adjusted. I wholeheartedly support the idea put forward by my hon. Friend that there should be an annual debate on the subject rather than relying on the random nature of the ballot to secure debates in Westminster Hall.

It was excellent for the quality of debate that so many contributed, including the co-chairmen of the all-party parliamentary group on conflict issues and those involved in other groups that deal with specific parts of the world. Also welcome, of course, is the great consensus that exists across the Chamber on the question of conflict prevention. I particularly liked the idea expressed by the hon. Member for Hayes and Harlington (John McDonnell) that the matter should be removed from the political knockabout in the run-up to the general election. The all-party group would have done a great piece of work if it could get all parties to agree on some key priorities after the election, whatever the result may be, so that we have a long-term strategy and continuity.

It almost goes without saying that conflict prevention is essential. It has a clear and obvious humanitarian objective. Another factor that came out clearly in today's debate was the economic imperative, which is important given that we are in a recession. I was staggered by some of the figures; $64 billion is the average cost of each conflict, and when multiplied it gives a total of $175 trillion. The figures are mind-boggling. Indeed, for every dollar spent on conflict prevention, $2,000 is spent on military defence. Saving money in future by spending more on conflict prevention would seem to be wise.

I want to touch on a few key elements of conflict prevention as it affects foreign policy. They include the support given to other states, particularly to fragile states; the peace-building process and how it relates to preventing future conflict; the role of women in conflict prevention; and the future strategic threats that were mentioned by various Members, particularly climate change and access to resources.

The hon. Member for Ryedale (Mr. Greenway) was right to say that we often ignore the warning signs that there is about to be a massive problem in another corner of the world, and that if we take action it is not taken swiftly enough. The responsibility to protect was supposed to make things a little easier, but the world still sits back far too often when conflicts arise.

I have listed the various parts of the world mentioned today where conflict is likely or could occur, and it is a long list. There are all the countries in the middle east, and Yemen has come very much to our attention. There are the ongoing problems in Cyprus and the Balkans. There is the Caucasus; and there are a range of issues in Africa, south America and Asia. Such a list brings home the scale of the problem.

Resourcing is important. My hon. Friend asked a good range of questions, and I look forward to the Minister's response. There is genuine concern about the cuts that have been made to the United Kingdom's civilian contribution to peacekeeping, and about the recent scaling back of this year's Foreign and Commonwealth Office budget—for example, for counter-terrorism in Pakistan—as a result of the change in the exchange rate.

The FCO is facing budgetary difficulties because of the Treasury ruling that when the exchange rate changes the FCO has to find the funds from within its budget. That difficulty, of course, is caused by the strength of the pound. It will be interesting to hear the Minister's response on such matters. It seems sensible to spend in order to prevent future conflict and future expense on that front. Even in a recession, we should not make such cuts. It would be a false economy.

Peacebuilding is usually seen as an aspect of bringing conflict to an end. However, getting it right is essential to prevent conflict from starting up again. We have seen intervention in far too many places, with sticking-plaster solutions, where once the resources are removed the conflict revives because the underlying issues have not been resolved.

One cannot overestimate the importance of taking a proactive stance on building peace rather than taking the UN's traditional peacekeeping role. It is about involving not only regional partners in the country or area in question but stakeholders within communities. In that way, a peace can be built that reflects the needs of local people—not, dare I say it, an idea from many thousands of miles away of how it should be done. The UN recognised that when it set up the peacebuilding commission in 2005. With fellow MPs, I was fortunate to meet representatives of the commission on a visit to the UN sponsored by the FCO in 2008. We look forward to the UN review of the commission's work so that we can learn what is successful.

My hon. Friend also mentioned the role of women, particularly in communities. It is most important when building structures for peace. Last year, the UN passed Security Council resolution 1889, which reaffirmed the principles laid out almost a decade ago in Security Council resolution 1325. Among other things, it recognised the important role that women need to play in conflict prevention. Despite making up more than half of the world's population, women are often absent from negotiating tables and decision-making circles.

I recommend Gender Action for Peace and Security, a network of NGOs. It recently produced a short parliamentarian's guide to women, peace and security, which is most instructive. One statistic sticks out for me. Over the past 25 years, only one in 40 peace agreement signatories have been women. That shows their lack of involvement at that crucial stage, which I believe has an impact on whether conflicts recur. The UK is one of only 14 countries with a national action plan for implementing Security Council resolution 1325. I am glad about that. The plan is under review, and it will be released next month.

It is important that we take matters forward. In October, someone from the FCO told the all-party

group on women, peace and security that the Department was finding it difficult to involve women in senior positions in conflict prevention and resolution, including in the UK. I would welcome it if the Minister updated us on progress on that front.

Finally, I touch on the question of climate change—again, something mentioned by various Members. We need to look ahead to the likely drivers of future conflicts. They will include access to energy, to water and to land that can be used for crop production. The changes likely to happen to all aspects as a result of climate change make it a priority to consider them in connection with conflict prevention.

The Oxford Research Group report "Sustainable Security for the 21st Century" states:

> "This has long-term security implications for all countries which are far more serious, lasting and destructive than those of international terrorism."

That puts the scale of the threat in stark terms. It should go hand in glove with the Government's policies on assisting with adaptation to climate change and preventing further dangerous climate change through mitigation. I hope that the FCO is working closely with the Department of Energy and Climate Change on those issues; I know that climate change is another of the Department's strategic priorities.

In conclusion, I appreciate the opportunity to discuss such important issues. I welcome the constructive spirit of the debate, and I look forward to the Minister's response.

12.9 pm

Mr. David Lidington (Aylesbury) (Con): I congratulate the hon. Member for North Southwark and Bermondsey (Simon Hughes) on securing this debate, and welcome the "tripartisan" approach that he took in his opening remarks. My party supports the idea of the Foreign and Commonwealth Office, the Department for International Development, the Ministry of Defence and other Government Departments working closely together to plan conflict prevention activity in the national interests of the United Kingdom. However, we need to go further and institutionalise such practice by creating a national security council at which common strategies can be agreed to which all Departments are firmly signed up.

However, it is difficult to define where conflict prevention starts and ends. It is inherently difficult to measure, partly because we are dealing, in most cases, with policies that aim at change over the long term—going beyond any one budgetary or electoral cycle—and partly because we can never be confident about what would have happened had we not taken particular action in another part of the world.

It is important to remind ourselves that if conflict prevention is to be effective, it has to rely on other aspects of the Foreign Office's work being of high quality. Public diplomacy is one obvious example. Work through public diplomacy, including the work of the BBC World Service and the British Council, seems to be essential if we are to make contact not just with Governments and bureaucracies, but with wider civil societies. Moreover, we should not neglect that old mainstay of the FCO, the nurturing of diplomatic relationships over many years.

I know that the Minister has recently returned from a visit to Yemen. There is agreement across the House that any successful work to prevent the conflict in that country from getting worse will depend on not what this country does but the extent to which effective action within the region, particularly by the Gulf Co-operation Council countries, can be co-ordinated. If we are to persuade our old friends in the Gulf that that should be a priority and that they should work with us to stabilise the situation in Yemen, we need to be able to act on the basis of friendships that have been nurtured over many years. We cannot expect to snap our fingers and see an instant response.

I could use the same argument in respect of other parts of the world. Just to avoid any misunderstanding, I have recently been to Tokyo as a guest of the Japanese Government, and it became very clear to me that Japan's influence in many of the Asian countries where there is conflict, and its ability to exercise economic influence and to be a major provider of development assistance is something to which we should have great regard in our diplomatic policy, but that means we must spend time, energy and effort on nurturing and improving our relationship with Japan.

I want to put three points to the Minister, to which I hope he will find time to respond. First, for effective conflict prevention we often have to work through international organisations. It is also clear from what the Foreign Office itself has published in its annual reports that those international organisations do not always deliver in the way that we might hope. For example, the United Nations is obviously a key institution, but the Foreign Office annual report for 2007-08 stated that too often UN peacekeeping missions are not adequately planned. The report cited the United Nations-African Union Mission in Darfur as an example of that. Do the Government think that there has been some improvement in the UN's performance in that regard or do they think that we still have difficulties there?

Secondly, in addressing some of the challenges of conflict prevention around the world, have the Government considered trying to make greater use of the Commonwealth as an institution? The Commonwealth has an advantage in that it has a very diverse membership across continents and that its countries, while all committed to ideas of democracy, human rights and the rule of law, have many different ethnicities and religious traditions. As such, it seems to me that it has a part to play.

Simon Hughes: I strongly associate myself with what the hon. Gentleman says. May I remind him of what the Queen said after the last Commonwealth conference about the relevance of the Commonwealth to the climate change agenda? Will he join me in making a request to Government—I have made it before and sometimes they have responded—to hold an annual debate on the Commonwealth in the main Chamber, which we have not had in the last year or so?

Mr. Lidington: That would be a very good way of enabling the House not only to assess the Commonwealth as an institution but to review relationships between the United Kingdom and individual Commonwealth countries.

May I say a few words about regional bodies, because again they will be of great importance in conflict prevention work? In particular, I want to ask the Minister about

[Mr. Lidington]

Africa. Turning again to the FCO annual report for 2007-08, the Foreign Office says that in that year it invested

"£1.5 million from the Africa Conflict Prevention Pool in building the conflict prevention and peacekeeping capacity of the African Union."

Yet on page 154 of the same report it said that progress on the African Union Standby Force

"remains limited by weak capacity at the AU and in African regions."

The capacity of the African Union is clearly of great importance given the points that the hon. Member for Stroud (Mr. Drew) made about the situation in the Sudan and the tensions that may well arise around the forthcoming referendum on the possible secession of the south. It would be helpful if the Minister gave us an update on the Government's assessment of the capacity of the African Union.

Finally, I want to ask the Minister about the budget. In his written statement on 25 March 2009, the Foreign Secretary announced an increase in the budget for preventing and resolving conflict. However, he qualified that announcement by saying that in part it was driven by the declining value of the pound and the necessity to add to the budget in sterling terms to ensure that it continued to buy the same value in programmes. Of that budget of £627 million, £456 million was said to be ring-fenced for assisted peacekeeping, leaving £171 million to fund all discretionary peacekeeping, conflict prevention and stabilisation work.

We know from various press reports and leaked documents over the past few months that the Foreign Office is having to look very hard at its budget in the light of exchange rate movements. We know that the FCO was trampled on by the Treasury when the risk deriving from exchange rate movements was transferred from the Treasury to the FCO a couple of years ago. We also know that the permanent secretary at the FCO has written to heads of mission and FCO directors to ask them to draw up contingency plans for possible significant further cuts during this calendar year. So I would like the Minister to tell us whether the conflict prevention programmes that the Government have planned for are likely to be reined back or cut significantly as a result of those undoubtedly severe financial pressures.

12.20 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): I begin by congratulating the hon. Member for North Southwark and Bermondsey (Simon Hughes) on securing the debate, on his very thoughtful contribution, and on his long-standing work on conflict issues. I also want to pay tribute to the all-party group on conflict issues for quite rightly raising the profile of conflict issues in Parliament.

I am certainly willing to take the idea of an annual debate on conflict prevention to relevant colleagues and ask them to give it serious consideration. I shall also say at the outset that I do not think that I will have enough time to do justice to all the contributions that have been made to the debate. Therefore, I want to offer to attend a meeting of the all-party group on conflict issues so that we have the opportunity for a more in-depth and serious discussion. However, I will do my best to try to answer some of the questions that have been put.

I do not think that hon. Members will be surprised to hear that my hon. Friend the Member for Hayes and Harlington (John McDonnell), who made a thoughtful contribution to the debate, has not been delegated responsibility for writing our party's manifesto for the forthcoming election. However, if he wants to appoint me to the position of "Minister for Peace", I think that that would be a really exciting opportunity.

I want to make the serious point that the all-party and consensual nature of the debate has been very healthy and positive. However, there was one discordant note. I say to the hon. Member for South-West Devon (Mr. Streeter) that any party that is unable to get above 40 per cent. of the vote at this stage of the electoral cycle should not be so sure of assuming power at any general election.

I will move on to the issues that have been raised in the debate. I want to deal with why conflict prevention matters and how we are responding to conflict issues, as well as trying to respond to some of the points that have been made.

Why does conflict prevention matter so much? Every day, the terrible effects of armed conflict are felt by ordinary people around the world. Although human beings who are killed, wounded or have to flee for their lives might be the most visible and emotive consequences of conflict, the effects of conflict go far wider and deeper. Conflicts devastate economies, promote instability, impede development, promote illegal migration, contravene human rights and frequently fuel terrorism. Conflict prevention is therefore of direct relevance to our national interest.

As well as the moral imperative of reducing the suffering caused by conflict, concerted action to prevent and resolve conflict is essential to allow the benefits of economic prosperity to spread, to allow democracy and good governance to take root and flourish, and to allow the rule of law to be established and promoted.

Conflict prevention is at the heart of what we regard as an integrated cross-government approach. Joint policy making and programmes have enabled us to strengthen our civilian capabilities, including on the ground, and we are working with international partners and organisations to deliver earlier and more effective international responses to crises and conflicts.

In a difficult and challenging fiscal environment, we have had no option but to prioritise activities. We have preserved funding for a range of conflict prevention, peacekeeping and peace-building activities, but it is right to focus our efforts where the risk and impact of conflict is greatest and where our activities add most value.

Defence and military spending supports defence diplomacy and security co-operation, which make a significant contribution to conflict prevention and peace-building. Whitehall Departments are identifying options for further investment in those activities.

Following the Prime Minister's announcement in March 2008 that we would create a pool of 1,000 trained UK civilians who would be readily deployable overseas, we are today—very appropriately—launching the new civilian stabilisation group at the Royal Geographical Society. We will continue to deploy the right people to the right place at the right time to help to rebuild countries recovering from conflict.

There are a number of ways in which we seek to prevent conflict. We do so through the conflict pool, which several hon. Members mentioned, and through working with international institutions such as the United Nations, which the hon. Member for Aylesbury (Mr. Lidington) asked about. In response to his question, we think that the UN is getting better, but there is a long, long way to go. Regarding the Commonwealth, which he also mentioned, we work alongside Commonwealth countries when it is appropriate to do so. However, I agree with the hon. Gentleman when he says that we should consider whether there is more that can be done regarding the Commonwealth. I also agree entirely that, with regard to conflict in Africa, the long-term sustainable peace that we seek in Africa depends on building institutions within that continent, so strengthening the capacity of the African Union in the future will be crucially important.

The hon. Member for Ryedale (Mr. Greenway), during his very thoughtful and well-informed speech, raised the issue of improved or early warning, which is another important issue—arguably the most important issue—in conflict prevention. We need to intervene as early as we can and we require the capacity to make such assessments. There is also a responsibility to protect, to build capacity and to ensure that we, as the United Kingdom, have adequate capability in the area of conflict prevention, so there is a range of ways in which we seek to respond to this challenging agenda.

I now want to turn specifically to the points that have been made by hon. Members during the debate. First, the hon. Member for North Southwark and Bermondsey raised a number of issues related to resources. I will try to address some of them, but if I do not address them all, I will write to him.

It is true that we set aside increased resources for conflict activity in 2009-10, which is a significant symbol of how much importance we attach to this issue. However, it is also true that we are faced with competing demands. We do not have the resources to fund everything that we would like to fund. A projected rise in the UK's assessed contributions—they are obligatory contributions—to international peacekeeping missions means that we must rigorously prioritise our discretionary budgets. We have an international legal obligation to pay our bills for international peacekeeping. Unfortunately, that means that there is sometimes less money available to pay for other important activity. As for 2010-11, we are continuing to assess the amount of resources that we will have available, and I assure hon. Members that we will make an announcement to Parliament in due course on that specific issue.

Several hon. Members raised the link between conflict and development. A very important step forward in the 2009 cross-government White Paper "Building our Common Future", which was led by the Department for International Development, is that it recognises the importance of peace-building and state-building in countries affected by conflict and instability. I think that the tangible, important change in that White Paper is that it commits to spending at least 50 per cent. of new bilateral country spending in those states that are identified as "fragile". That is a very important recognition of where we increasingly need to shift our resources to.

The hon. Member for North Southwark and Bermondsey also raised the issue of effectiveness, asking how effective our efforts in preventing violent conflict are and how we measure their effectiveness. It is not easy to measure their effectiveness. As several hon. Members have said, conflict prevention is a long-term and major challenge—there are no quick fixes. However, we review progress against delivery on public service agreement 30 targets on a six-monthly basis, using both statistical data and qualitative reporting from posts. We therefore attempt to assess impact and effectiveness, and I can provide hon. Members with further information on that issue in writing.

My hon. Friend the Member for Falkirk (Mr. Joyce) will know that I have visited eastern Congo on two occasions. He is absolutely right about the importance of MONUC and ensuring that we get its mandate renewed. However, it is also important that we ensure that MONUC, working with FRDC and others, is as effective as it needs to be.

I think that it was my hon. Friend the Member for Stroud (Mr. Drew) who made the point that in situations such as that in the Democratic Republic of the Congo, the role of development is very important. There has to be a peace dividend alongside security solutions, and where there has been conflict for a long time, people have to see economic and social progress as quickly as possible, after moving in with a civilian response. That is absolutely crucial.

Several hon. Members, including the hon. Member for East Dunbartonshire (Jo Swinson), raised the issue of women in conflict prevention. I have two things to say about that. First, in those countries that come out of conflict, it is often women who play the most important role. They do not sign the peace treaties, but it is often women, both in local communities and at a national level, who are the biggest and most powerful advocates for peace. However, it is also women who are often the greatest victims of the dreadful violence that occurs in places such as eastern Congo, so the role of women must be central, not an add-on or marginal issue.

My hon. Friend the Member for Stroud also raised the important issue of our diplomats and the tremendous contribution that they make. In short, we need to bring together security with governance and development, if we are to tackle these issues effectively.

Seagulls (Gloucester)

12.30 pm

Mr. Parmjit Dhanda (Gloucester) (Lab): I hope that this debate will be enlightening for you, Mr. Amess. As the hon. Member for Bath (Mr. Foster) highlighted in a similar Adjournment debate last year, there is far more to the issue than meets the eye. I hope that people will realise the importance of this debate; I have had a couple of days' leg-pulling about it. A few colleagues have asked, "Is that really the title of your Adjournment debate?"

Some years ago, former Manchester United footballer Eric Cantona said:

"When the seagulls follow the trawler, it is because they think sardines will be thrown into the sea".

Perhaps Eric Cantona had a better understanding of seagulls and their behaviour than the rest of us, including the Department for Environment, Food and Rural Affairs and our local authorities. As any aficionado of debates on this subject will know from the remarks of the hon. Member for Bath last year, the problem is a serious and growing one for many of our town centres and, increasingly, for our suburban communities, for reasons that I will flesh out with evidence.

Good research has been done locally by Julie Wight and Gill Ragon of Gloucester city council, to whom I pay tribute for their help and support in pulling information together. Health and safety and aggression were two issues discussed by the hon. Member for Bath during his debate. Both are pertinent when we consider the effect of seagulls on businesses in Gloucester city centre.

Gloucester has about 2,800 breeding pairs of seagulls. Urban seagulls did not really exist before the second world war. Landfill has made a difference, as has the birds' desire to find somewhere warmer, and cities and towns are 3° to 6° C warmer than their natural rural habitats. They are also light in the evenings, giving birds the opportunity to feed and scavenge at night-time.

In our city centre, as well as in Bath, Bristol, Cardiff and Aberdeenshire, urban seagulls' behaviour is becoming far more aggressive. To cite one example from the *Daily Mirror*:

"A terrified woman in Fraserburgh, Aberdeenshire was left drenched in blood after a seagull protecting its young dive-bombed her. Jean Wemyss, 68, had to have a one-inch gash in her head glued after the attack. 'It felt like someone had hit me with a rock.'"

Seagulls have a 4½-foot wingspan when fully grown, weigh 2 lb and can reach speeds of 40 mph when they dive-bomb. They are a threat, and they are becoming braver and bolder in their activities. As seagulls' numbers grow, many cities throughout the country are having the same problems as Gloucester. Bird droppings on the pavements of our city centres cause hazards and cleaning costs, and mess on tables has hygiene consequences for bars, restaurants and outdoor dining. Scavenging is also a problem. Birds regularly tear up bags, open bins and make a mess and run away with food when they can find it. Sometimes they actually take food from plates. Aggressive behaviour is also a problem.

We believe that Gloucester has two colonies of seagulls. One is centred on Hempstead tip, close to the city centre, although those in the know at the local authority believe that in addition to those, a lot of other seagulls are migrating to the city centre. We are also struggling with another flock of seagulls in an area adjacent to the Bristol road, a more suburban location. A number of businesses have been in touch with me.

I went down to the area some months ago with a sense of incredulity, not knowing more than anybody else what to make of it. I visited the Cotswold Motor Group, which sells BMWs and Minis, to see the impact of seagulls on that business and surrounding businesses. It costs the Cotswold Motor Group £500 to re-spray a car. The seagulls in that area, particularly when they are roosting or have young, attack vehicles as they come into the forecourt.

I never knew until I had a biology lesson down at the Cotswold Motor Group that seagull droppings become more acidic as seagulls grow more upset. Droppings on cars must be removed within a couple of hours or they can erode paintwork, which costs a lot of money. The owners of the garage have considered moving elsewhere to get away from the seagulls, as they must employ people to wash their cars every day. Keeping the premises clean has an impact on them and surrounding businesses.

Why have thousands of seagulls flocked to the area? Having been on the roof of that business's premises and looked down on the other buildings in the estate, I can only imagine that the old-fashioned stone-clad buildings resemble seagulls' natural habitat of cliffs. Perhaps that is part of the reason why they are living in the area.

We need more research to understand why the seagulls are coming to the area. The expert Peter Rock has been in touch with a number of MPs and local authorities about the issue. He tells us that there are about 130,000 to 150,000 breeding pairs of seagulls in this country in urban and, increasingly, suburban areas. That could increase to more than 1 million over the next 10 years. It could have a massive impact on local businesses as well as residents in terms of mess, droppings and the shrill noise that the birds make.

What should we do about it? First, we must do more research, which needs a little investment by the Department. I will encourage my hon. Friend, who is a good listening Minister, to tackle his officials, whom I know had a good meeting a couple of months ago to discuss the issue with the Government office for the south-west, DEFRA, the Environment Agency, Natural England and some local authorities. However, from my feedback at that meeting, it seems that they never got beyond the subject of research.

Several universities, including the university of western England and Bristol university, are interested in conducting research on the subject. A few tens of thousands of pounds' investment would help us understand better the birds' habitats, why they come to urban areas and what methods work to tackle the nuisance. I am not proposing a cull or asking my hon. Friend to find money for local authorities to do clean-up work. In my area, the officials whom I mentioned have been involved in about £7,000 to £8,000 of work every year—the problem is growing, so they probably need more—but if they knew exactly what would work in the first place, thanks to a little research, they could save money and help business.

What solutions have been mooted? There are a range of them, and it has been an education hearing about some. The traditional method of bird-scaring is falconry,

but I understand that most veteran seagulls these days are not intimidated by falcons, not seeing them as genuine birds of prey that will kill or attack them. Falconry has had a limited effect. Even where it has worked, it has merely moved the problem from one urban area or suburb to another. There has been some success with using loudspeakers to imitate distress calls to encourage the birds to move on. However, that solution simply moves the problem to another area.

Egg removal and egg oiling have been tried. Egg oiling has had some success in Gloucester city where 1,100 eggs were oiled last year so that the chicks did not hatch and become fully grown seagulls. Despite that work, the number of seagulls has grown massively year on year. Caging and proofing have been tried. Proofing work includes putting up nets and spikes. The pedestrianised area in Gloucester city centre is awash with nets and spikes above shops, which is rather unsightly. The measure has been tried for a number of years, but we still have the recurring problem. More exotic solutions have been tried such as helium balloons and plastic owls. You will be sorry to hear, Mr Amess, that the plastic owls have made no difference whatsoever.

Hundreds of thousands, if not millions of pounds must have been spent across the country. From Gloucester and the Minister's constituency down the road, to Aberdeenshire, this is a growing national problem. As I mentioned, Peter Rock's figures suggest that there could be 1 million urban and suburban seagulls within a decade.

If the solutions I have mentioned are not the right ones, what are? The officials at Gloucester city council tell me that research could aid and assist them. One imaginative solution being pressed at the moment is laser torches being flashed at seagulls when they are roosting. That stops them from settling on the eggs so that the eggs go cold and the next generation of seagulls does not hatch. Before we invest in that, we need to know whether it is likely to work. That goes back to the important point of funding a little research.

The council tells me, and I am sure it is right, that partly because of the availability of food and partly because of night-time light and temperatures, urban gulls produce about three eggs a year, whereas in the wild gulls produce just one egg every three years. That is a stark difference. We need to understand the nature of the problem better.

What seems on the surface to be a rather jokey and amusing subject for an Adjournment debate impacts on the lives of a lot of residents in my constituency, on local authorities and their funds, and on local businesses. I do not want Cotswold Motor Group or other businesses in the suburbs and town centres to move away. At the same time, I am an animal lover and am not calling for culls. We must know what we can do to restrict the size of these populations and ensure that the behaviour of gulls is not as aggressive as it has become.

As I said at the outset, Eric Cantona said:

"When the seagulls follow the trawler, it is because they think sardines will be thrown into the sea".

I do not know whether that is true and I suspect that the Minister does not know either. Perhaps he could commit to a little investment in the matter. He may not be able to make the commitment today, but I hope he will have a good conversation with his officials. I have had encouraging conversations about the meeting between the Department for Environment, Food and Rural Affairs and the Government office for the south-west that happened a couple of months ago, but there is a feeling that they need to go further. We must invest in the kind of research that will make a difference for the long term.

12.44 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dan Norris): I congratulate my hon. Friend the Member for Gloucester (Mr. Dhanda) on securing this debate. As Minister with responsibility for rural affairs, I welcome this opportunity to discuss the impact of urban gull populations on business. This is not a joke, but a serious issue. The impacts that he describes exist and they can be distressing and concerning for those who are affected.

I recognise that gulls can be problematic when found in high density in urban areas, such as in Gloucester, Bristol, Bath, Taunton and Cardiff. This is a widespread problem. I also recognise that measures need to be taken to mitigate such problems in an appropriate and proportionate manner.

We must have regard to the conservation status of gulls because some species are protected. It is interesting that despite the appearance that gulls are thriving in urban areas, UK breeding populations of herring gulls have declined by 69 per cent. since 1969 and winter populations have declined by more than 50 per cent. in the past 25 years. As a result, the herring gull is listed as a biodiversity action plan priority species and in the latest British Trust for Ornithology report, it meets the qualifying criteria for red listing as a bird of conservation concern. The great black-backed gull is a scarce breeding species in England with a breeding population of fewer than 1,500 pairs. With wintering populations declining, it meets the qualifying criteria for amber listing as a bird of conservation concern. Although I understand my hon. Friend's point, there is a decline in some gull species.

Mr. Dhanda: I appreciate the Minister's statistics and am sure that they are well sourced. I had a conversation just this morning with the hon. Member for Bath, who fears that some of the statistics being used by officials in the Department relate more to the rural gull population and are out of kilter with the experience of local authorities. Perhaps it would be possible to look again at this matter. We could send the Minister information in writing so that his officials can take a closer look at whether the statistics are accurate.

Dan Norris: I would be happy to receive anything my hon. Friend wishes to send. I spoke to the hon. Member for Bath (Mr. Foster) briefly yesterday to say that this debate was taking place and receive his input. Unfortunately, he cannot be here today.

As a member state of the European Union, the UK has an obligation to conserve wild bird populations. As my hon. Friend will be aware, that is fulfilled through the Wildlife and Countryside Act 1981, which protects all wild birds. However, as I said, I recognise his concerns about gulls in Gloucester in the Bristol road area and the city centre. In specific circumstances, the 1981 Act allows people to apply for a licence from Natural England

[Dan Norris]

to take action to control bird species where they cause difficulties and there are no other satisfactory solutions. Action may be taken if Natural England grants a licence for purposes such as preventing the spread of disease, preserving air safety, which my hon. Friend mentioned, conserving wild birds and preserving public health and safety.

A build-up of gull populations to problem levels is usually the result of the presence of readily accessible food and the availability of suitable habitats for roosting or breeding. Those are the two key components. There is often food in excess of what gulls would find in the wild and places for them to live. Although licensed control of bird populations can provide temporary relief, efforts must be maintained to remove the food and the access to the habitat that attracts them.

Access to food is the single most important factor in boosting gull populations. If it can be denied, the problem may be resolved without recourse to other measures. I urge all local authorities and businesses to help address this problem by avoiding the spillage of foodstuffs, keeping food storage areas secure and bird-proof—that is easily said, but it is what needs to be done—making sure that disposal and waste facilities are kept clean and tidy, and limiting or preventing the deliberate feeding of birds by the public, which still takes place in many areas. I have heard that local authorities in Devon and Cornwall, for example, have had good results by using hessian sacks for rubbish disposal, which deters gulls from accessing the food. Obviously, gulls can peck through plastic bags more easily than hessian ones.

Natural England can provide advice on other deterrents, such as proofing buildings—my hon. Friend referred to that in Gloucester—and installing netting or metal spikes on buildings to discourage roosting and nesting. Although I accept that such measures are not the whole answer, they are a significant part of the solution. It is only by eliminating the things that gulls find so attractive in our towns and cities that we can hope to find a longer-term solution. The reality is that gulls live for a long time—many can live as long as 20 years—and they are not unintelligent animals, so they learn and modify their behaviour when we put up plastic owls or whatever it might be. Gulls are able to realise what is genuinely a threat to their way of life and what they can ignore.

In addition to controlling the availability of food and preventing roosting, I understand that licensed control methods have been effective. I completely share my hon. Friend's concern for animal welfare. We are not advocating something that is cruel and unkind, but there may be situations in which, as a last resort, it might be necessary to take other lines of action. I stress that the licensed control system should be considered only if earlier attempts to manage problems have been shown to be ineffective.

General licences that are used for activities that carry a low risk for the conservation or welfare of the protected species can be issued. Personal licences may also be issued for certain other controlled activities. The licensing authority—Natural England—must make sure that the licences it issues are appropriate and take account of the risk of the activities licensed and the conservation status of the species concerned. For that reason, in January this year, following consultation, Natural England amended the relevant general licences and removed the herring gull from almost all general licences. However, it has continued to allow the destruction of nests and eggs of herring gulls to preserve public health and safety. Lesser black-backed gulls may still be controlled for a number of reasons, including to prevent serious damage to livestock and crops and the spread of disease, or for air safety reasons. That reflects the need to mitigate the problems that the herring and lesser black-backed gulls can cause in certain situations and to provide a licensing regime that is not over-burdensome.

For great black-backed gulls, a general licence is now available only for the purpose of preserving air safety. I stress that, although there has been a reduction in the available general licences, it is still none the less possible to apply for an individual licence to control those species where they are causing problems. Natural England has struck a sensible and proportionate balance between protecting species and recognising the issues that can arise in areas where species may be over-abundant.

However, occasionally it is clear that licensed controls will be necessary. For example, in the breeding season from April to August, removing eggs under licence and replacing them with dummy eggs can reduce urban gull populations if deployed over the longer term and, in the short term, that can reduce the likelihood of attacks from aggressive gulls. My hon. Friend rightly highlighted that in his opening remarks. Those methods have had some success in urban areas, including, I believe, in Gloucester.

As my hon. Friend mentioned, my officials in DEFRA's Bristol office recently met officials from local authorities in the south-west, including Gloucester, to discuss the issue. Natural England also attended that meeting. I hope that experiences can continue to be shared and best practice developed to address the problems sometimes caused by urban gulls. If there are lessons to be learned—no doubt there will be some—about alternative techniques that are successful, I encourage local authorities to share that information between them. However, we must not rely on a licensing approach to control gull populations that will provide only a temporary solution to the problem.

Mr. Dhanda: My hon. Friend is being assiduous and thorough in his response. I would like to probe him on the issue of the academic research that might help us to ensure we get the best bang for our buck from the investment that local authorities make. Will he consider having further discussions with his officials about looking into academic research? The other key area is local authorities coming together. A forum is up and running, but what other support can the Government provide to ensure that it is a success?

Dan Norris: I thank my hon. Friend for his intervention. I can certainly say to him that, in general terms, we do not feel that additional research is necessary. We feel that we know quite a lot about the subject. That is certainly sufficient to highlight the two key areas that I pointed out in my earlier remarks: excess food being available to gulls, and places to live, roost and so on. However, his point about laser torches is interesting. I will talk to my officials about that, because it is something I would like to explore further. Any information that he can provide about that would be useful. The only obvious

hazard with laser torches is that they may affect aircraft. He will be aware that there have been well-documented cases of people deliberately trying to distract pilots using powerful laser instruments. That matter needs proper consideration and I thank him for raising it with me.

As I was saying, lessons need to be learned about alternative techniques and we need to encourage local authorities to share best practice when they find it works in their areas. The issue requires local authorities to work collaboratively and over a sustained period. That can be helped greatly by limiting the sources of food and making adjustments to buildings, so that gulls do not find such a warm welcome in cities such as Gloucester, as well as other cities and areas across the country. I thank my hon. Friend for initiating this important debate.

Mr. Dhanda: My hon. Friend, his officials and I may differ in that, although I understand what he is saying and it is common sense to suggest that the gulls will gravitate to areas where food is available, that confuses the matter with regards to the Cotswold Motor Group and the industrial estates around there. Those are not the best places for gulls to gravitate to for food, yet they have done so, which implies that we need to understand more about their behaviour if we are going to be able to do more to help those local businesses.

Dan Norris: I hear clearly what my hon. Friend says, but my officials feel that we have a lot of information about the nature of gull behaviour. We still keep coming back to the factors of food source and places to roost. I do not know enough about the particular instance he cited to say whether that is applicable. If he could drop me a note, I will certainly look at the matter and talk to my officials. I will also ask them to consider the laser torch idea that he proposes, because that sounds as if it has some merit and should be given due consideration.

Alcohol Fraud

12.57 pm

Paul Rowen (Rochdale) (LD): It is a pleasure to be able to speak under your chairmanship once again, Mr. Amess. I would like to thank Mr. Speaker for granting me the debate, and the Federation of Wholesale Distributors for supplying me with much of the background to the growing problem of alcohol fraud.

In recent years, supermarkets have been rightly castigated for selling cheap alcohol at below cost price. The impact on public health of people buying excessive amounts of cheap alcohol is well documented. However, what is more pernicious is the growing problem of local shops and off-licences selling cheap alcohol, which is made possible because duty has not been paid on it. There is growing evidence of the impact that that is having on the ability of under-age drinkers to access alcohol, including in my constituency of Rochdale.

In reply to a written question that I tabled, the Minister admitted:

"For 2006-07 estimated losses from beer give a range of between £270 million and £490 million in respect of duty and £120 million to £220 million in respect of VAT. This corresponds to a market share"—

for beer—

"of between 7 and 12 per cent."—[*Official Report*, 2 February 2010; Vol. 505, c. 214W.]

If the losses for spirits are included, which the Exchequer estimates at between 5 and 6 per cent., a conservative estimate of the total loss to the Exchequer is more than £1 billion a year. No estimate has been provided by Her Majesty's Revenue and Customs for losses of duty and VAT on the sale of wine, but I am sure that they, too, are likely to run into millions of pounds. Given the state of the public finances, the Government can ill afford such revenue losses. There is also grave concern about the likely link between those involved in alcohol fraud and serious and organised crime.

Alcohol fraud is being carried out in several ways, and it is a significant problem at the wholesale point in the supply chain. Alcohol, after manufacture, is sold either direct to retainers, or via wholesalers for onward sale to retail outlets. The majority of wholesalers are legitimate traders who pay taxes and dues correctly. However, a growing number of fraudulent wholesalers are adopting methods to avoid paying the duty and VAT that is due. Those illicit traders are then able to sell cut-price alcohol, or to sell it at full price and reap greater profits.

The methods used by the fraudsters include claiming back duty—it is known as drawback—direct from the UK Government. They are doing that by claiming that the duty has been paid in another country, where no duty has been paid, and then diverting the products within the UK market, or alternatively by exporting the goods abroad—to France or the near continent, for example, where a much lower rate of duty is paid—with the goods then immediately diverted to the UK without the payment of the higher UK duty.

Some of the results of that fraud can be seen in the prices at local off-licences. Indeed, the FWD has estimated that up to 40 per cent. of beer sales through such outlets are illicit. It has identified several wholesalers that appear to be openly selling alcohol at prices far below those that federation members can match. Those include wholesalers in my constituency, Bradford, Manchester

[Paul Rowen]

and Walsall, and several other companies that trade on the internet. I do not know whether those companies are selling illicit alcohol, but I will give the list to the Minister after the debate and I hope that she will agree to investigate them as a matter of urgency.

I shall give some examples of the wholesale prices at which those companies are selling alcohol, as they are prices that no one can match. Cases of Tennent's Super are being sold for £22.99, while the best price an FWD member can offer is £28.25, with a duty payable of £17.79. Cases of Carlsberg Special Brew are being sold at £18.49, while the FWD member price is £26.80 and the duty is £17.79. Kestrel Super is being sold for £19.99, while the FWD member price is £27.50 and the duty is £17.79. There is a similar situation for wine: Jacob's Creek is being sold at £1.40, which is cheaper than the best FWD member price, and Gallo sauvignon blanc is being sold at £2.90 below the best FWD member price. Those are matters of concern.

Despite evidence of growing alcohol fraud, the Attorney-General has admitted that only seven people were prosecuted in 2008 for crimes relating to alcohol fraud and that the number of prosecutions has fallen by almost 50 per cent. since 2006. I ask the Minister to provide further information to explain why there has been that fall in prosecutions at the same time as fraud has been increasing.

Mr. Geoffrey Clifton-Brown (Cotswold) (Con): I declare an interest as chairman of the all-party wine and spirit group.

The issue of fraud is extremely important, and I urge the Minister to look at what greater efforts HMRC can make with regard to personnel and having the correct people to prosecute some of the very unpleasant individuals involved in that trade. Not only is the Exchequer losing more than £1 billion a year, but the trade has a knock-on effect that distorts the market. The supermarkets have to compete below cost, which in turn has a knock-on effect on the Government's alcohol strategy, because the products are being sold below market price. I wholeheartedly endorse what the hon. Gentleman is saying and urge HMRC to make a stronger effort to recover that money.

Paul Rowen: I am grateful for the hon. Gentleman's intervention. To return to my previous point, are those figures for prosecutions a result of a reduction in action by HMRC, or of a reduction in the resources that the Government are targeting in that area?

Last April, at the time of the Chancellor's Budget, the Government published their alcohol fraud strategy, which set out several measures designed to tackle fraud involving alcohol duty. I welcome the publication of that strategy and its implementation. However, according to the FWD, the impact of the strategy has been limited. Although figures for assessing the scale of alcohol fraud for beer and spirits have been provided, no figures have yet been given for wine. Is the Minister proposing that a similar estimate will be provided—I appreciate that that is more difficult—to set out the likely scale of fraudulent wine sales?

Given the estimated scale of alcohol fraud, its effects on legitimate business, to which I referred earlier, and the effects of cheap alcohol on health, what estimate has the Minister made of the effectiveness of that strategy? Have HMRC and the UK Border Agency been set targets for alcohol fraud reductions and, if so, will she enlighten us on those targets? Given that I have mentioned those companies that are causing concern, I would welcome her assurance that swift action will be taken throughout the supply chain when fraud is reported. I am aware that she has not met representatives of the FWD, although she has met representatives of the Wine and Spirit Trade Association. Will she therefore agree to meet representatives of the FWD to discuss their concerns?

Will the Minister provide an update of the preventive measures that have been put in place as a longer-term solution to limit such fraud? For example, what processes does HMRC have in place, and are they being developed, to track the movement of alcohol to ensure that goods are sold through legitimate channels with the duty paid?

According to HMRC, there is a massive over-supply of beer under duty suspense being sent to the near continent, and that cannot be for legitimate sale. Given that there are a limited number of product types of beer that are at risk, surely it ought to be possible for HMRC to keep tabs on where the brewers supply it in the EU, and to whom, and on all UK suppliers of duty-suspended goods to third parties in bonded warehouses.

Have the Government considered limiting fraud by imposing robust controls on the export of some high-risk products? For example, there is strong evidence that large quantities of American wines are being exported to France, where there is evidently no market for them. Surely it would make sense for those exports to be at least temporarily banned while we see what effect that has on the sale of such illicit wine on the UK market.

The Government are repaying fraudsters through the drawback regime. As I said, fraudsters either claim that the duty has been paid in another country, or say that the goods are going abroad but then divert them back. Will the Minister provide an update on the checks that are undertaken prior to the repayment of drawback, and a reassurance that appropriate and thorough checks are made, including checking that documentation has not been produced fraudulently?

In a response to a written question that I recently tabled, the Minister stated:

"It is a condition of reimbursement of UK duty under the drawback provisions that the claimant must be able to demonstrate that the goods to which a drawback claim relates have been exported from the UK and that duty has been paid or secured to the satisfaction of the fiscal authority in the member state of destination."—[*Official Report*, 29 January 2010; Vol. 504, c. 1144W.]

It would be helpful if she could clarify what is meant by "secured", since duty either has or has not been paid. What discussions is she having with EU member states to ensure that it has been paid?

The FWD has proposed a registration of wholesalers to ensure that only legitimate traders are able to supply alcohol. As wholesalers are the only unregulated part of the alcohol supply chain, I would be grateful if the Minister would give us her thoughts on what action the Government intend to take to adopt that measure.

I accept that the issue is not just one for the UK and that European co-ordination is needed. Given the scale of the fraud and its resemblance to missing trader intra-Community fraud, it is important that EU-level

co-ordination be secured. I understand that a new EU excise movement and control system is due to be introduced. It would be helpful if the Minister would give us an assessment of the impact that it will have and of when it will be introduced in the UK. More generally, is the UK working closely with EU counterparts to tackle the issue and share intelligence?

This is an important issue, Mr. Amess. If you go into an off-licence in your constituency, it is highly likely, according to the FWD, that you will find that 40 per cent. of beer sold through such outlets is illicit and that duty has not been paid. The resolution of the problem is important to the public finances and to public health, so I look forward to the Minister's response to this serious issue.

1.13 pm

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): I congratulate the hon. Member for Rochdale (Paul Rowen) on securing this debate. Alcohol fraud is a serious issue that affects public revenue but also, of course, the livelihoods of honest businesses. I listened with interest to his speech and to the intervention.

The alcohol industry is very important to the UK. It supports the employment of many thousands of people and makes a significant contribution to Government revenue; for example, it provided more than £8 billion in alcohol duties to the Exchequer in 2008-09.

The Government take all fraud seriously, and we are committed to tackling alcohol fraud. We recognise the threat to revenues and to legitimate businesses that are trying to compete with fraudsters who evade payment of tax, and the wider threat to society from the organised criminal gangs who perpetrate the fraud. That is why the Chancellor announced at Budget 2009 that Her Majesty's Revenue and Customs, together with the UK Border Agency, is renewing its strategy to address fraud involving beer, wine and spirits.

Reports that the illicit trading of alcohol is impacting the livelihood of large and small businesses in the wholesale and retail sectors are of great concern. I am pleased to say that the comprehensive programme of work to develop a renewed strategy to tackle alcohol fraud is progressing well. The strategy has at its core the need to work in partnership with legitimate businesses in the alcohol industry, and I am glad that my officials continue to work constructively with UK producers and retailers of alcohol through the relevant trade associations to develop measures to tackle the fraud. The Government are keen that all legal measures to tackle alcohol fraud be considered fully, and we welcome the industry's input to this ongoing process.

It may be helpful if I briefly say something about the nature of the threat before I go on to outline what the Government are doing to tackle it. Beer is the largest sector in consumption terms in the UK. Spirits remain significant with relatively static consumption, and wine consumption has increased by almost 50 per cent. in recent years. All three products are subject to fraud; there is limited evidence that cider is being targeted by fraudsters.

The majority of illicit beer, wine and spirits is sold through licensed premises, with an on-off trade split of approximately 60:40 by value. The illicit market manifests itself mainly in the off-trade. Fraudsters infiltrate supply chains, so some retailers are unaware that their stock is illicit, but others will be aware that they are sourcing product at a below duty-paid price, and are taking a significant risk.

Alcohol fraud has evolved since the introduction of the single market in 1993. Initially, the fraud was carried out with alcoholic drinks being smuggled into the UK in relatively small quantities, typically in private vehicles or vans. However, the organised criminals behind the fraud are now operating a more systematic attack to exploit the EU-wide excise holding and movement system which allows goods to circulate duty unpaid until released for consumption in the home market. That predominantly involves large commercial consignments of goods in excise warehouses moving between the near continent and the UK under false documentation. Goods are diverted and released in the UK market without duty being paid.

Three significant elements contribute to the scale of the current fraud. The first is the supply of UK-produced and, to a lesser extent, imported alcoholic drinks to the near continent in duty suspension, in excess of legitimate demand. This is similar to the situation seen in recent years with tobacco fraud. It serves to position goods so that they can be returned to the UK untaxed, thereby exploiting weaknesses in the EU movement system. For example, HMRC clearance figures show that some 600 million litres of beer was exported to the near continent last year, yet the legitimate demand for UK beer is considered to be in the range of 20 million to 150 million litres per annum. That is a key source of goods for organised criminals.

Secondly, there is facilitation of the fraud by UK and EU-based alcohol traders, including large buyers of duty suspended goods, and registered excise warehouse keepers, and a multitude of UK and EU transporters are involved. Without the complicity of alcohol traders and hauliers, the current fraud could not exist.

Thirdly, there is a strong demand for illicit, cheap alcohol from some in the UK wholesale and retail sectors. It allows them to compete with others in an aggressive sector and with large multiple retailers, as the hon. Gentleman pointed out. To be successful, we need to tackle all those elements to make it more difficult for fraudsters to access illicit alcohol, to operate and to supply demand at the wholesale or retail end of the market.

Estimating the scale of the fraud is far from a precise science. It involves analysis of consumer surveys such as the expenditure and food survey and HMRC clearances data. Estimates of illicit alcohol market share are currently published only for spirits, most recently in the pre-Budget report, and are expressed as a range. The mid-point is 5 per cent. and the upper estimate is 9 per cent.

We do not yet have robust estimates for beer or wine, but HMRC's latest internal estimate for beer suggests that the illicit market share is in a range with a mid-point of 9 per cent., which is equivalent to £550 million in excise duty and VAT, and an upper estimate of 12 per cent., which is equivalent to £710 million. Work is ongoing to develop the methodology used, and HMRC is currently testing data assumptions with relevant trade associations, so the estimate for the illicit beer market share may be subject to revision. We do not yet have equivalent estimates for wine or cider.

[Sarah McCarthy-Fry]

It is in the mutual interests of both the Government and the industry to tackle alcohol fraud robustly. The Government launched their initial alcohol fraud strategy, which was aimed at tackling sales of illicit spirits, in 2005. At that time, spirits fraud was the major threat due to spirits being a high-value, low-volume product relative to other alcohol commodities. Among other initiatives, we introduced a duty stamp scheme for spirits. The absence of a duty stamp, which is a clear indication that duty has not been paid, enabled HMRC and honest businesses for the first time to identify illicit products.

The spirits strategy has been quite successful in reducing the scale of the fraud. For 2003-04, the mid-point estimate for the illicit market share was 8 per cent., which is equivalent to £300 million, and as I just mentioned, the latest published figures for 2007-09 show that this has been reduced to 5 per cent., which is equivalent to £150 million.

Complementing the spirits fraud strategy, we have been tackling fraud in categories of drink with some success. For instance, in the nine months to the end of December 2009, HMRC and the UK Border Agency seized more than 4 million litres of illicit beer and wine. However, we are aware that fraud in beer and wine is becoming a growing problem, with the legitimate wholesale and retail trade particularly finding it difficult to compete with the illicit market, and we are aware that much more needs to be done. That is why in Budget 2009 the Chancellor announced that we were renewing our strategy to tackle alcohol fraud to involve types of alcohol.

We are committed to tightening the law where appropriate and tackling criminals hard, but we look to the industry to support and work with us. There are three major strands to our approach: changing the law to make life tougher for criminals and easier for honest businesses to compete; working with honest businesses to secure legitimate supply chains and make it harder for criminals to source alcohol; and strengthening our operational response to alcohol fraud as part of a centrally co-ordinated effort to detect, disrupt and dismantle organised criminal networks and supply chains. HMRC is making good progress on all three strands of this strategy.

The regulatory framework is being strengthened, within what is allowable under the EU directive governing the holding and movement of excise goods, to reduce opportunities for error and fraud. For example, in June 2009 we changed legislation to withdraw the facility to draw back duty paid for goods warehoused for export, which was being systematically abused to steal revenue by people making false claims for repayment of duty. This had an immediate and substantial impact on the amount of alcohol drawback being claimed and paid. Further measures outlined in Budget 2009, including the reform of excise financial securities, have been consulted on in 2009-10 and options for regulatory change are currently being considered.

A number of further regulatory changes have also been proposed in the course of dialogue between trade associations and HMRC. I would particularly like to mention the Federation of Wholesale Distributors, which, as the hon. Member for Rochdale rightly said, I have not yet had the opportunity to meet. But I am trying to meet as many stakeholders as possible. The FWD made some radical suggestions for further tightening up the duty drawback regime to prevent displacement of fraud into the remaining system, and on taking a much harder line on the seizure of goods and assessment for lost taxes where goods are being traded close to or below their full duty paid price. These proposals are being actively explored by officials to see if they are within the boundary of the law.

Mr. Clifton-Brown: I appreciate that, for security reasons, the Minister may not want to give too much detail, but I understand that the enforcement unit within HMRC is still small. Will she say whether the Government have granted HMRC more resources so that it can employ more people to chase this illicit trade?

Sarah McCarthy-Fry: We take our responsibilities towards illicit trade seriously. We are looking at a three-pronged approach in this regard. We are establishing targets to ensure that HMRC and UKBA are carrying out the activities that are necessary for the alcohol strategy to be successful. So we are concentrating on that side of it.

We have also invested in the UK implementation of an EU-wide excise movement and control system to be introduced from April 2010. This will help combat fraud by capturing data of all excise movements between warehouses in the EU electronically in real time, allowing tax authorities to interrogate and target high-risk movements. That system also requires the validation of the legitimacy and content of movements by both exporting and importing warehouses before the movement begins. The new system will therefore provide much greater transparency about what goods are moving between which warehouses, to allow easier and more effective controls between the EU and the UK.

We recognise that the success of the strategy to tackle alcohol fraud will in large part depend on reducing the ability of fraudsters to access duty unpaid alcohol to fuel their illicit supply chains. The volume of alcohol available for fraud in the UK is something that, to an extent, is within the control of producers and their immediate customers and we will need to work in partnership with industry to reduce that.

Paul Rowen: I have listened carefully to the proposals that the Minister is working on. When she meets members of the FWD and distributors, will she explore the registration scheme with them, because from the evidence that they have presented to me the wholesale part of the chain is now the only bit that is not regulated and is therefore the weak link in the chain? If that could be regulated we could, with all the other controls that she is talking about, close down on some of these fraudsters.

Sarah McCarthy-Fry: I am always happy to consider any proposals that will help us tackle this matter in the most cost-effective way. If there are weaknesses in the system, I am more than happy to consider the evidence.

I am also encouraged that large brewers and the wholesale sector have reached agreement to work with officials from HMRC on developing practical measures to restrict the availability of alcohol to fraudsters at source. These parties produce or control more than 80 per cent. of the alcohol sold in the off-trade. I understand that work is at an early stage, but with the

commitment of these key players within the industry there is great potential to reduce the supply of alcohol to the illicit market. This is key to tackling the fraud. I look forward to the sectors of the legitimate industry being fully co-operative on this issue.

Building a stronger, more flexible operational response to alcohol fraud is the last line of defence against organised criminal attack. We aim to deliver co-ordinated, targeted, high-impact interventions in respect of the key players in the fraud. This new approach will aim to attack illicit supply chains end to end, targeting the largest players propagating the fraud through to the middlemen who facilitate the fraud hiding behind the facade of operating legitimate businesses. That approach will involve HMRC and UKBA working with partner agencies to deploy the full range of enforcement tools and powers to make a lasting impact, including hard-hitting sanctions against fraudulent businesses and individuals, such as assets confiscations, winding-up orders and prosecutions, as well as removing licences and approvals from others facilitating the fraud through dishonest trading. The hon. Member for Rochdale asked me about the levels of prosecutions. I do not have the figures to hand, but I think I have demonstrated that prosecution is but one tool in the armoury, because we have other means to impose sanctions on such people.

This co-ordinated and systematic work will begin in earnest in April 2010. I am pleased to report good progress by HMRC and UKBA in preparing for the new approach. The aim is to make it difficult for fraudsters to operate, thereby protecting legitimate businesses' ability to thrive. This is a significant and innovative shift in approach which we expect will deliver a much greater impact on fraud. I hope industry will support us.

We have a coherent package of measures to hit back hard against this fraud from several directions. Due to the need for detailed consultation with the alcohol industry to avoid any unintended effects of legislation on legitimate trade, and the scale of change for HMRC, the renewal of the alcohol strategy was announced as a programme of work for 2009-10. I am pleased that this programme of work is nearing completion and I expect to begin seeing the impact of its implementation from 1 April 2010.

Native Woodlands

1.28 pm

Paddy Tipping (Sherwood) (Lab): I am delighted to have the opportunity to talk about what I think, and what the vast majority of people in this country think, is a vital topic. I recall that in my maiden speech back in May 1992 the first issue I addressed was the need to renew, regenerate and re-grow Sherwood forest. It is fitting that, in the twilight of my parliamentary years and in some of the last comments that I will make, I return to the subject of forestry.

It is important to recognise that during the 18 years between 1992 and now there have been major changes in thinking. At one time woodland cover was regarded as an additional extra, a luxury, the icing on the cake and something nice to have. But it has become clear in recent years that woodland policy is vital in delivering many of our mainstream policies. Let me give some examples, starting with the most pressing issue: climate change goals of mitigation and adaptation.

Woodland has a vital role to play, both here in the United Kingdom and internationally: it has real benefits for soil and water and can help with flood alleviation and is a source of and background for more wildlife. We underestimate the value of good quality woodland in providing an environment for economic development and, more particularly, tourism. I shall speak later about woodland providing timber, but there are also benefits for recreation and health—walking the woodlands brings physical and mental benefits. In their low carbon transition plan, the Government state the position well when they say that

"well-targeted woodland creation can also bring about other benefits, including a recreational resource, employment opportunities, flood alleviation, improvements in water quality, and helping to adapt our landscapes to climate change by linking habitats to support wildlife".

A number of reports that have been published recently recognise the value of woodland. A consensus is growing that woodland creation is a mainstream policy. The Read report, which was commissioned by the Forestry Commission and published just before Christmas—I understand that the Government will respond to it around Easter—states clearly that the Forestry Commission should try to produce 23,000 hectares of wood a year over 40 years. That would help to reduce carbon emissions in the UK by 10 per cent. The Government's low carbon transition plan, which was published in the summer, called for an additional 10,000 hectares a year for 15 years, and calculated that that would remove 50 million tonnes of carbon dioxide between now and 2050.

The UK's biodiversity action plan identifies a target of 83,555 hectares of new woodland by 2010, and a total of 164,000 hectares by 2030. That is important, because we start from a very low base. The UK is the fourth least wooded country in Europe. Only 8 per cent. of England is covered, with 5.8 per cent. of that being broadleaf. We have a notion of England being a green and pleasant land where people wander in the greenwood, but that is not the reality. The figures for tree creation and woodland planting have remained stable for a couple of decades. We are not making progress to achieve our aims.

I am particularly concerned about my area of the east midlands where only 5 per cent. of the region is covered by woodland. Closer to home in Nottinghamshire—the

[Paddy Tipping]

home of the internationally famous Sherwood forest—just 8 per cent. of the cover is woodland. The east midlands forestry framework states:

"The Region has a relatively poor level of tree cover compared to England as a whole. Creation of new woodlands, particularly with native species, can stimulate the economy through tourism, business diversification and forestry employment."

Similarly, the east midlands regional strategy refers to how green infrastructure, of which woods and trees are a key component,

"transforms open space from 'nice to have' to 'must have' as an integral part of new developments. Green infrastructure helps frame the most efficient and attractive location for development and growth in the context of sustainable development. It also helps address inequalities of health and quality of life issues particularly in more deprived communities."

Given the low base, we must take action. We need a framework for the future. I have always been a supporter of the Woodland Trust, and I was delighted when it recently launched its manifesto "Growing the future". It argues keenly for a doubling of our native woodland in the UK over the next 50 years. It believes that, despite our record, that is not pie in the sky, and that we could create 15,000 hectares of new native woodland a year over the next 50 years. That would require a strong partnership, but the trust is not just aspirational. It works hard on the ground, and makes real changes and provides real benefits.

I particularly like the trust's Heartwood project near St. Albans, where more than 150 acres of new native forest will be created with 600,000 trees planted by volunteers over the next five years. It is important that St. Albans is near big conurbations, and the project offers real opportunities for people. Another project on which the Woodland Trust is working in partnership is the notion of an NHS forest with the NHS using its estate to develop new woodland and to plant 1.3 million trees—that is the number of people who work in the NHS. It would provide a clear and tangible sign that health, woodland and green land are linked.

Another good example is the national forest, which, as the Minister knows, the Select Committee on Environment, Food and Rural Affairs is considering and on which it will produce a report soon. The significance of the national forest is the introduction of new ways of and new mechanisms for creating woodland. I am particularly impressed by its tendering policy to which landowners have responded strongly. We should do more of that. The national forest is a good example of an organisation pulling partners together and persuading landowners that there is a long-term future, not just for the environment, but for their own economic benefit, in planting woodland. One lesson is that the national forest team has cut the bureaucracy involved in introducing grants.

I cannot talk about woodland cover without mentioning the internationally most famous forest—Sherwood forest. I praise the work of the Sherwood Forest Trust, which is a strong partnership arrangement that delivers tangible gains, including £8 million of benefits. Sherwood forest has more ancient oaks that anywhere else on the planet, and many are more than 1,000 years old. The oldest at 1,200 years, which is owned by the Sherwood Forest Trust, is the parliament oak, and it is fitting to remember that in 1290, Edward I held his first parliament there. It is a link between Parliament and the woodland.

The Sherwood Forest Trust has worked with 1,650 landowners and delivered 50 large and 1,600 other significant landscape improvements. It has planted more than 13,000 trees, improved about 1,500 hectares of woodland, and created 58 km of new hedging, 92 hectares of wetland, and 50 metres of river bank and associated wet woodland. I am particularly impressed by the work that the trust has done with young people. I was at a tree-planting ceremony recently when young people were given some acorns to grow in the trust's nursery as a tangible sign of developing the forest.

We can and should do more. In Nottinghamshire, there has been a long campaign to establish the Sherwood forest regional park. The county council has been a significant player and has brought forward partners, consultants and the concept of a new regional park based on Sherwood. All the parties have signed up to that, and as a concept it appears good. However, we need to go further and start delivering the project. The East Midlands Development Agency, the county council and the Government's agencies, Natural England and the Forestry Commission, have a role to play in bringing forward the Sherwood forest regional park. It is important to establish that now.

In May, the new Robin Hood film will appear with Russell Crowe as the hero, or anti-hero. It is directed by Ridley Scott and it has been estimated that the film could bring £46 million of investment into Nottinghamshire. We want people to come and look at Nottingham castle and admire it, and then go from the home of the villain to the home of the free men in Sherwood forest. I want them to perceive that that green wood is the place to live and work and perhaps, for unreconstructed socialists, to give from the rich to the poor—a manifesto commitment for the next election.

How do we do that? I have two suggestions. First, we must look at the notion of carbon funding and carbon trading. It is accepted that woodland absorbs carbon, but the arrangements for trading carbon for small, local landowners need to be changed. If something is enhanced by or benefits from the introduction of woodland, someone needs to get the carbon credit. Further work must be done by the Government to stop the notion of double counting, where farmers or landowners claim the benefit as well as the Government.

Secondly, we must target tree-planting. Work by the Woodland Trust shows that 85 per cent. of the population do not live within walking distance of a wood. However, 91 per cent. of people think that woodlands are good things for the environment and can help us to mitigate climate change. According to the Campaign to Protect Rural England, 79 per cent. of people want more trees planted around towns and cities. We must set targets in partnership with local authorities to ensure that we build towards that target of doubling our woodland cover over the years.

I have one final point to show the demand that is on the woodlands at the moment. There are a variety of new planning applications for energy generation from biomass. There is a strong debate about how much wood those plants will consume—one estimate is 40 million tonnes a year. We can produce only 11 million tonnes at the moment, so as night follows day, wood will have to be imported to feed those plants. That cannot be right in sustainability terms. We must also look at what will happen to the wood panel industry, which is dependent on wood from our forests, if all the product goes into

biomass generation. That is an example of how more woodland creation and more thoughtful policies can sustain the environment and build our economy.

I talked about the Woodland Trust's manifesto. At the moment, all the political parties are producing manifestos, and one manifesto ought to be clear across the parties: woods are good for the environment and they are good for the economy; woods are good for health and woodland adds value to property. If a politician cannot sell woodland and woodland creation, they cannot sell anything. This is a win-win situation. We must move forward from talk of aspirations for the future to a set of targeted policies to bring that forward.

I am delighted with the work of the Woodland Trust and I have great admiration for the work of the Forestry Commission. However, let us be clear: if we are to combat climate change, lift the landscape and enhance the environment, an essential tool must be new, native woodland cover. The time for talking has ended; there is a consensus that we need to go forward. The Minister has always been extremely helpful to me, and I ask him to come and join that campaign, help us to create a new Sherwood forest and help the Woodland Trust and others to do what is good for the environment, good for sustainability and good for the future. Let us double woodland cover in the UK in 50 years' time.

1.45 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Jim Fitzpatrick): It is a pleasure to see you in the Chair today, Mr. Amess. I congratulate my hon. Friend the Member for Sherwood (Paddy Tipping) on securing this important debate and on drawing further attention to the need for increasing native woodland cover. I would like to express regret on behalf of my hon. Friend the Member for Ogmore (Huw Irranca-Davies), who would be here in normal circumstances to participate in this debate as the Minister responsible for the environment, food and rural affairs. Sadly, he had already committed himself to other duties.

Before I respond to the various points raised, I would like to note the contribution made by my hon. Friend the Member for Sherwood, both in his role as chair of the all-party group on forestry and given his personal and continuing interest in environmental matters and his strong support for groups and trusts that campaign on forestry issues in his constituency and elsewhere. A[illegible] that is well known here at Westminster.

Let us turn to the issue at hand, which is that of creating native woodland cover. As my hon. Friend mentioned, the Read report, published last November, gave us a better understanding of UK forestry's potential to help tackle climate change. The report is an independent, expert assessment of current scientific knowledge about UK forests and how they can help us to mitigate the effects of climate change.

When my right hon. Friend the Secretary of State for Environment, Food and Rural Affairs launched the report, he was clear that we need to plant a large number of trees over the next 40 years to tackle climate change and help bring down our carbon emissions, as well as addressing the biodiversity issues mentioned by my hon. Friend the Member for Sherwood.

To achieve those positive aims, we will need to work with communities and businesses. Since the Read report was published, the Department for Environment, Food and Rural Affairs and the Forestry Commission have been developing policies on how we can increase the number of trees that we plant. However, there is more work to do to ensure that we have a clear mechanism to pay for the step change in woodland planting that is needed.

My hon. Friend suggested that we should unlock potential funds by resolving the problems of double counting. Early tree planting schemes suffered from a lack of quality assurance that undermined consumer confidence. In recent years, developments in both the regulated and unregulated carbon offset market have attempted to improve confidence in offsetting mechanisms.

The Government are determined to create a step change in domestic woodland creation, and we are currently working with the Forestry Commission, the Department of Energy and Climate Change and other bodies to find out how else we can stimulate more private sector investment in woodlands. DEFRA and the Forestry Commission are clear about the range of policies that woodland delivers. Trees are not only part of our green infrastructure, but they also play an increasingly important role in our towns and cities. Work by Manchester university suggests that increasing green coverage, particularly the tree canopy, in high density urban areas by only 10 per cent. could mitigate temperature increases from global warming, possibly keeping temperatures at today's levels or below.

I would like to highlight an example of where the right tree has been planted in right place. The national forest, which stretches across three of England's central counties and with which my hon. Friend will be very familiar, has demonstrated that it is possible to make landscape scale improvements by creating increased woodland and other habitats. That increased woodland cover has provided leisure opportunities for local people, supported local economies and driven the economic regeneration of former mining landscapes.

I understand that in my hon. Friend's constituency, as he mentioned, the Sherwood Forest Trust has been set up to secure the long-term future of the forest by restoring its ancient landscape for the benefit of people and wildlife. That is another example of ensuring that woodlands are places that local people can use and enjoy.

Forests and woodlands provide crucial and resilient habitats for wildlife and are a key part of our biodiversity. [illegible] will become increasingly important to enhance [illegible]glish landscape's resilience to climate change and to allow mobile species to migrate to new habitats. For all the reasons that I and my hon. Friend have mentioned, native trees are exceptionally important to us. The Government are determined to ensure that we put plans in place to increase native woodland cover and to ensure that those woodlands are well managed for future generations.

In conclusion, I again congratulate my hon. Friend on securing this important debate, and I assure him that DEFRA agrees about the importance of native woodland cover. I am sure that the Department for Culture, Media and Sport will have heard his strong appeal to Ridley Scott and Russell Crowe to get over to Nottingham and Sherwood and to take their money with them as soon as possible.

Question put and agreed to.

1.50 pm

Sitting adjourned.

Westminster Hall

Wednesday 10 February 2010

[SIR NICHOLAS WINTERTON *in the Chair*]

Fuel Duty (Rural Areas)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mrs. Sharon Hodgson.)*

9.30 am

Sir Nicholas Winterton (in the Chair): I welcome all Members to the first debate in Westminster Hall today. I am not sure whether the weather will deteriorate or improve, but for those who will have to go a distance, I hope that it will improve. As this is the last day before we break for the half-term holiday, may I express the hope that everyone has a restful and enjoyable time at home or in their constituencies? The first debate is to be initiated by someone who has come a very long way to be here—the hon. Member for Orkney and Shetland (Mr. Carmichael).

Mr. Alistair Carmichael (Orkney and Shetland) (LD): It is indeed a long way from Orkney and Shetland to Westminster, but as it affords me the privilege of serving under your chairmanship, Sir Nicholas, it is worth every inch of the journey.

I return this morning to a subject on which I have addressed the House on a number of occasions over the past nine years. It is a source of considerable and genuine regret that we have not made more progress on a public policy that brings with it one of the most significant burdens to life in island and rural communities. I shall confine my remarks this morning largely to the island communities, for reasons that I hope are so obvious that I shall not need to state them. It is plain from the geographical spread of the constituencies of Members here today that the problem affects communities in all remote and peripheral parts of the country, not only those that I represent.

My ask for the Minister this morning, as on previous occasions, is that if she cannot consider a derogation of fuel duty—I recognise that a substantial element of the cost of petrol is attributable to fuel duty—there may be a possibility of getting a derogation from European Union legislation to allow the imposition in some areas of a lower rate of duty, thus recognising that that there are market-based reasons for the higher prices.

The importance of the problem cannot be overstated. In communities such those that I represent, which are geographically substantial but with small populations that are spread very thinly, the use of the private car is not a luxury but an essential. It is also an environmental essential. If we had a fleet of buses running around the west side of Shetland to provide the required transport access to other parts of Shetland, they would effectively be running empty. Having smaller private cars on those roads makes environmental sense. Buses, with their emissions and their use of fuel, would be carrying air around the west side of Shetland or the remoter parts of Orkney. That makes no environmental sense. Although the mindset in many parts of the Government may be that the private car is bad for environmental reasons and should be pushed off our roads in favour of public transport, the private car makes good environmental sense in areas such as those that I represent.

Mr. Nigel Evans (Ribble Valley) (Con): Does the hon. Gentleman recognise that the bus service is either thin or non-existent in many rural areas? The car is therefore a necessity. He talks about taxation on fuel. Does he also recognise that the price of petrol is much higher in many rural areas than in the cities? It is not as though we are trying to give a tax advantage to those who live in rural areas; we simply want to give them a fair crack of the whip.

Mr. Carmichael: The hon. Gentleman says nothing with which I could disagree. Indeed, he leads me on rather nicely to the first point that I wish to bring to hon. Members' attention—the prices being paid at the pump by my constituents in Orkney and Shetland. I checked these figures yesterday.

Lerwick is the largest town in Shetland, and the largest garages are able to provide the cheapest petrol. Pump prices there for unleaded petrol go from 124.5p per litre to 125.9p per litre. On other islands, including Unst, my constituents are paying 130.9p per litre. For reasons that I shall explain in a moment, the prices in Orkney are slightly lower. At most filling stations in Kirkwall, the pump price is about 120.9p, but in Westray, which has a fairly substantial island population in the context of Orkney, my constituents are paying 129.9p per litre.

I want to say a word or two about the structural market reasons why such variations should be the case. We have no supermarkets selling petrol in Orkney and Shetland. We do not have big retailers with the buying muscle of garages in the urban conurbations, which can get cheap fuel. One retailer on the west side of Shetland told my office yesterday that he makes only 6p per litre. He said that he could buy the fuel more cheaply at a petrol station in Aberdeen—at the retail price, including duty and VAT—than he can buy it from the wholesaler or distributor.

David Simpson (Upper Bann) (DUP): I congratulate the hon. Gentleman on securing this important debate. He will know that the price of fuel has been long-running sore. He touched on the price differential. Northern Ireland is the only part of the United Kingdom that has a land border with the eurozone. Filling stations in the border areas are finding it difficult; one can buy fuel a few yards down the road in the Republic of Ireland at 99p per litre, but it costs almost 116p a few hundred yards in the other direction. I trust that the hon. Gentleman will join me and include Northern Ireland in his debate.

Mr. Carmichael: Indeed. As a Front-Bencher, I am well acquainted with the situation that the hon. Gentleman outlines. For my constituents, it is particularly galling. His constituents look across the border to a foreign country; we look to other parts of the same country. The Treasury is not prepared to deal with that basic unfairness by treating my constituents in the same way as it would expect other constituents to be treated.

Mrs. Anne McGuire (Stirling) (Lab): I accept what the hon. Gentleman's feelings may be about fuel duty. Does he not accept that the oil companies have a

[Mrs. Anne McGuire]

responsibility in how they price petrol and diesel for rural communities? He has already indicated that one can buy fuel cheaper in Aberdeen at retail prices than one can buy it wholesale in Orkney.

Mr. Carmichael: I understand that there is a need for more responsible behaviour by the oil companies, particularly the wholesalers and distributors. I am not suggesting that the sort of difference that could be made by a duty reduction would be the silver bullet, but it could be part of a package that would make a significant difference. Moreover, it would be a useful way for the Government to send the message that it is time for the oil companies to smarten up their thinking. When one looks around the European Union, one realises that such behaviour is pretty well accepted there.

Let me briefly turn to how the extra costs of diesel and petrol and fuel duty have an increased impact on agriculture. The Minister will be aware that, since October 2007, the duty increases of 2p a litre have been applied across the board—to road fuels, rebated fuels or red diesel, biofuels and other domestic fuels—and that has affected the agricultural sector that relies on red diesel, because 2p as a proportion of the red diesel duty is significantly larger than it is on non-rebated fuels. Therefore, over the past six years, farmers have faced a red diesel price increase of more that 180 per cent., which has been driven not by increased oil prices but by the duty element. Such an increase is disproportionate, and for a community such as mine in Orkney and Shetland, which relies heavily on agriculture as the core of its local economy, the impact is particularly severe. If we add the peripherality of the area and the small size of the community market to the extra burden of fuel duty increases that have been imposed in a very crude way, we can see that the most fragile of economic communities has been put at the most substantial disadvantage.

The Government's argument for increasing duty on red diesel was to combat oil fraud. I do not know how such a measure will combat oil fraud. I would have thought that raising duty increases the incentive for people to take a chance of putting red diesel in their tractor or private car. None the less, combating fraud seems to be the basis of the Government's logic, but it is not as robust as we might expect from the Treasury.

Mr. Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing this important debate. He touched on the issue of fraud, and I can appreciate the extreme difficulties that come from rurality and peripherality. Does he agree that one of the issues in Northern Ireland is that Revenue and Customs has not been diligent enough in dealing with the oil that is illegally brought across from the Irish Republic to be sold in Northern Ireland and that hundreds of millions of pounds are therefore lost to the Treasury?

Mr. Carmichael: Indeed. As we scrutinise with ever-increasing rigour where money is coming from and where it is going to, such considerations will become more and more weighty. Indeed, the matter requires substantial attention.

The assistance that is given to island and peripheral communities in other parts of the European Union is an issue that has been picked up recently by my colleague, George Lyon, in the European Parliament. He put a series of questions to the EU Commission and was given an answer on 8 January that states:

"The Commission can, nevertheless, confirm that—on a different basis—in order to partially offset the additional costs of insularity"—

that could be put in better English and, being an islander, I do not like the term "insularity"—

"and thus geographical remoteness and difficulties of supply, France was authorised to apply a reduced rate of taxation to unleaded petrol used as motor fuel and consumed in the Corsican department. Moreover, at the moment of the adoption of Council Directive 2003/96/EC4—and for similar reasons as France—Portugal and Greece were authorised to apply reduced rates of taxation for fuel consumed in the Autonomous Regions of the Azores and Madeira and on some Greek islands. Concerning the details of the schemes, the Commission can inform the Honourable Member that in the case of Corsica, the reduction is 1 cent per litre. In the case of the Greek islands, the reduction can be up to 2.2 cents per litre. In the case of Azores and Madeira, the directive does not specify the amount of the tax reduction, however, according to the information available to the Commission, the degree of tax differentiations from the Portuguese mainland is 1.5 cents per litre (Madeira) and 3.8 cents per litre in the case of the island of Azores."

I bring that answer to hon. Members' attention because it is important for us to understand that the problems that are faced by our communities are not unique; they are shared by different communities in the European Union. However, they get very different treatment from their Governments than that which we have experienced.

I have asked Ministers in the past to consider such a derogation, and I make the same request of the Minister today. Will she consider setting up a pilot scheme to assess whether the Government's concerns are legitimate, real and substantial—I suspect that they are not—or whether they are just an excuse for continuing to do nothing?

John Thurso (Caithness, Sutherland and Easter Ross) (LD): My hon. Friend will know that during excessive considerations of the Finance Bill, I proposed—or other colleagues did so and I spoke to—amendments seeking to achieve what he suggests. He will also know that, two years ago, I prepared a worked-up scheme that covered all the details. I sent it to the Treasury and had detailed correspondence with it on the matter. Can he explain why the Treasury, in the face of so much detail and so many clear-cut proposals, is adamantly and resolutely opposed to a scheme that would bring a little fairness to the islands?

Mr. Carmichael: My hon. Friend invites me to speculate. I will resist that invitation in the hope that we might get a proper explanation from the Minister when she replies to the debate. However, I shall briefly touch on some of the reasons that Ministers have offered us in the past for refusing the sort of derogation that I would like. I do that on doctor's advice. My doctor tells me that I must avoid putting myself in a situation where I will suffer high blood pressure, because it is bad for my health. I should explain to hon. Members that nothing gives me worse high blood pressure than hearing Treasury Ministers using specious arguments time and again. In the past, my hon. Friend and others have demonstrated that such arguments were specious. It might seem to be a bit of a

wheeze for those who write speeches for Ministers to come up with such arguments, but it demonstrates a quite reprehensible lack of respect for the people who elect me and my hon. Friends and for the problems that they face day in, day out.

The arguments that we have heard in the past are that the extra cost is down to transport. Hon. Members will know how much petrol costs in urban conurbations. They have heard the figures that I have offered today. We are talking about a difference of between 10p and 15p a litre. That is not a transport cost. The Treasury then tells us that, if we had derogation and a variable rate of duty in different parts of the country, people would drive from those urban conurbations to get their cheap petrol. It tells us something about how figures are added up in the Treasury that the people there think that petrol will still be perhaps 8p or 10p a litre more expensive in the communities that we represent, but that people will get in their cars and use petrol to drive to our communities to buy petrol that is still more expensive than they would get at home.

Mr. Andrew Turner (Isle of Wight) (Con): Does the hon. Gentleman accept that the situation is the same in the Isle of Wight, which is a considerably shorter distance from many urban conurbations than the Orkneys and Shetlands?

Mr. Carmichael: Indeed. I have heard the hon. Gentleman make that case in the past. That is why I hope that we could have a pilot project in areas such as ours, which are more easily defined. Someone might make this nonsensical argument—I hope that the Minister will not do so—that people will drive from urban conurbations to get cheap petrol. However, surely even the Minister will not stand there and suggest that somebody in Aberdeen will put their car on an overnight ferry to go to Lerwick to get cheaper petrol.

Mrs. McGuire *rose—*

Mr. Carmichael: I have given way to the right hon. Lady once already, so I will not give way again. I would really like to make some progress and conclude my speech. Sorry.

Christopher Fraser (South-West Norfolk) (Con): I should like to thank the hon. Gentleman. This is a first-class debate on a very important subject. My constituency in Norfolk covers 1,200 square miles, a very large proportion of which is at sea level or below, and there is no chance that anyone will ever drive out from Norwich to try to get petrol in the fens—an area that, as I am sure he will accept, has not only deprivation but many people for whom a car is a necessity and not a luxury.

Mr. Carmichael: I am aware of the situation in the fens, not least that if things continue the way that they are going, the hon. Gentleman may one day join that elite band of island MPs. *[Laughter.]*

The final objection that we get from the Treasury is that different price trends are not restricted to neatly definable geographical areas.

Albert Owen (Ynys Môn) (Lab): I hope that the hon. Gentleman can relax and get his blood pressure down a little while I make a short intervention. He is making a very serious point about the price differential, which has an adverse effect on the community that I represent, where people who face paying higher prices actually go out of the community, 30 or 40 miles down the road, to purchase their petrol. In addition, petrol stations in my area are not just suppliers of petrol; they are also often convenience stores, which close down as a result of people buying fuel elsewhere.

Mr. Carmichael: Doubtless in the past many of those petrol stations would have had post offices attached, too. That is how people make a business work in a small island community. The post office on its own, the petrol pump on its own and the shop on its own may not be viable businesses, but bring all three together and there can be something that functions. That is why those businesses are important.

Malcolm Bruce (Gordon) (LD): I know that we have a Treasury Minister here today and I fully support what my hon. Friend is looking for, particularly for his community. However, should not the competition authorities be engaged with this issue, because the number of petrol stations in Scotland has gone down from 880 to 510 in the past 10 years? My hon. Friend has talked about Aberdeen, but part of my constituency has a Tesco that sells petrol at a price 5p cheaper than that of the Tesco at the other end of the constituency. Tesco has told me that there is no difference in the cost of providing that petrol; it is simply what Tesco thinks the local market will bear.

Mr. Carmichael: I agree absolutely with my right hon. Friend. I live for the day when the Office of Fair Trading might be persuaded to do the job that we set it up to do, which is to examine the market and take meaningful measures that might bring some relief to people such as my constituents. However, the OFT has always resisted the opportunity to do so.

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): My hon. Friend is quite rightly highlighting the problems in island communities. Exactly the same experience is replicated in my constituency in the highlands. However, does he accept—this point is important in terms of fairness—that these problems are exacerbated by the fact that areas such as the ones that he and I represent have significantly lower incomes than the rest of the country and the effect of the higher price is therefore magnified?

Mr. Carmichael: Indeed, and Orkney is one of the lowest-wage economies in Scotland, so a higher proportion of a smaller income is being spent on something that is really an unavoidable item of expenditure.

I have been trying for the past five minutes to make my very last 30-second point: I fear that the Minister will doubtless find it all too easy to say no to me; certainly, her predecessors have never had any difficulty in that regard. I hope that I am not boring her—I hope that we are not keeping her up. Perhaps she might listen to what she has heard about this problem from the right hon. Member for Stirling (Mrs. McGuire) and the hon. Member for Ynys Môn (Albert Owen). If she does not want to listen even to them, she might listen to

[Mr. Carmichael]

Des McNulty, who is a Labour MSP, who said in a debate in the Scottish Parliament in April 2009, and I quote him verbatim:

> "There is a genuine case for derogation for island communities, and I think that the case is winnable." [*Scottish Parliament Official Report*, 30 April 2009; c. 16948.]

We understand that because of the communities that we represent. Will the Minister and the Treasury please start listening and do something to address our needs?

Sir Nicholas Winterton (in the Chair): May I make a plea to Members? Obviously, there will be many more interventions and a number of people have indicated to the Chair that they wish to speak. I should start the winding-up speeches at 10.30 am, to give the Minister sufficient time to reply to what is a very important debate.

9.56 am

Albert Owen (Ynys Môn) (Lab): I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael) on securing this very important debate. I know that he has been fighting for relief for rural, peripheral and, particularly in the case of his own constituency, island communities.

Ynys Môn, or the Isle of Anglesey, which I represent, is an island. It is on the periphery, but it is also connected to the mainland by two road bridges and one rail bridge. It is quite unique in that sense, but it still has many of the characteristics that the hon. Gentleman has talked about.

In many ways, I consider the Isle of Anglesey to be the heart and soul of the British isles, if we look at colleagues in the west, in Ireland, and indeed in Northern Ireland. However, it is a peripheral area that is difficult to get to. It suffers from a double whammy: there are the high fuel charges that the hon. Gentleman talked about and, in addition, my constituents do not really have an alternative other than to travel great distances to get cheaper fuel.

Also, the limited number of petrol stations—independent petrol stations and larger retailers—on the island is problematic. Because there is very little choice, the prices are kept artificially high by the market. Furthermore, to pick up the point made by the hon. Member for Ribble Valley (Mr. Evans), there is limited public transport, so the alternative for my constituents is just not there.

I want to make it clear that we are talking about not only Chelsea tractors; we are talking about ordinary family vehicles. We are talking about people who need their vehicles to go to work, to go to the shops, to take their children to participate in activities in the evenings and to go to the clubs that we all support.

There is a strong case to help peripheral areas by looking at the fuel duty, perhaps through a pilot scheme of some nature. It would be difficult to contain such a pilot scheme in the mainland, and I also understand that it would be difficult to contain in areas such as my constituency, where there is a land bridge. However, the issue needs to be looked at, because, as the hon. Member for Orkney and Shetland and his colleagues have said, a number of these peripheral areas have some of the lowest gross value added in the whole of the United Kingdom.

Mr. Roger Williams (Brecon and Radnorshire) (LD): I am very well aware of the particular situation in the hon. Gentleman's Ynys Môn constituency. My hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) said that he would not want to speculate as to why the Treasury would resist this demand so strenuously. Does the hon. Gentleman think that Treasury officials in France and indeed in Greece are resisting a derogation so strongly, or does he think that they are trying to support their remote communities?

Albert Owen: I am no expert on Greece or France, or on how people there conduct their internal lobbying. However, what I will say in honesty to the hon. Gentleman is that, to be fair to the Treasury, I lobbied against the vehicle excise duty that the Treasury was imposing. That crude mechanism would have hit not only the Chelsea tractors, but vehicles and motorists in my constituency. When I lobbied against it, the Treasury did listen; it modified the vehicle excise changes to help people in my constituency.

There is therefore a glimmer of hope there that the Treasury is indeed listening to Members of Parliament. I led a delegation to the Chancellor because I thought that that crude mechanism that the Treasury was bringing in for good environmental reasons—I must say that it was supported by many Opposition Members at the time—was imperfect and that it would hurt my constituents the most. I lobbied, the Treasury listened, and it did not impose that duty.

Older cars are essential for many people in my area because they cannot afford to change them, although the scrappage scheme has helped. However, those cars often use more petrol than smaller vehicles. The bad weather has shown that 4x4s are essential in communities in my area and that of the hon. Member for Orkney and Shetland. Such communities would grind to a halt without them.

We are being penalised for living further west. I have looked at websites that compare prices, and the eye-watering figures that the hon. Gentleman gave are not quite replicated in my area, but there is a huge differential. The further west people live in north Wales, the more they pay for petrol. In my home town of Holyhead, which is in the westernmost area, Tesco is the main retailer and there are few independents. It charges 114p to 116p per litre for diesel, and 112p to 113p per litre for the cheapest unleaded petrol. In Llandudno, which is 60 or 70 miles away, the price is about 110p per litre for petrol and 111p for diesel. In Chester, which is not a great distance away once one is on the A55, the cost is as little as 108p per litre—that is 6p cheaper. Many people commute to buy their petrol in Chester or Cheshire rather than helping the local community, because higher prices have been forced on their local areas.

Mr. Andrew Turner: Hon. Members have talked about the westernmost and the northernmost, so may I speak from the southern point of view? Simon and Sally Perry of VentnorBlog give regular updates on fuel prices in the local area. Local residents are able to save money by following their advice and finding the lowest local price for petrol and diesel. The village of Whitwell has a

petrol station, albeit an expensive one, but no post office. The Government are making people go further away and taxing them on the extra cost of going there.

Albert Owen: I thank the hon. Gentleman for that point, but the price of petrol is the fault not just of the Government, but of retailers, distributers and oil companies. He is right that businesses are decoupled. It is important to note that a petrol station and convenience store can be a great draw for customers to come to an area, and particularly for passing trade.

There are many retailers in north Wales, but they all charge more the further west they are, and that should be examined. The OFT has held a number of inquiries that have said there are no market failures, but that is blatantly wrong. It has only to check the websites or to go to these areas to see the day-to-day prices that people are forced to pay. I would like the OFT or another body to do another study to look at this live and topical issue that affects people today. Supermarkets say that they charge universal prices across the UK in their stores, but they do not do the same on their petrol forecourts, and that must be examined.

The hon. Member for Orkney and Shetland spoke about the impact on the economy, which it is important to consider. Tourism is a big trade in my area, as it is in many peripheral areas. Many people look at the websites and decide to fill up before they come into the local communities because they will get a better deal. People are voting with their wheels, which has a considerable impact.

The hon. Gentleman rightly mentioned the agricultural community, which is hit with a double whammy: not only does it pay a higher proportion of tax on red diesel because of the escalator, but people from agricultural communities have to travel great distances and so pay more for everyday activities through normal motoring charges.

The people of Ynys Môn whom I represent are concerned about the environment; they just do not have alternatives in many cases. Local government should consider this issue because there is no joined-up thinking. Many local transport schemes do not match. After school, many of the bus services finish so people travelling to sport or leisure centres and clubs in rural areas have no alternative to the private car.

Fuel prices are hurting ordinary families in my area and many other areas. The oil companies and the retailers are hurting ordinary families by adding extra costs. A crude fuel tax on top of that is making the problem worse. That started with the fuel escalator under a previous Government. That was stopped for a while and the fuel differentials moved a little in my area. The hon. Member for East Londonderry (Mr. Campbell) mentioned people crossing the border from Northern Ireland into the Republic. My constituency is only a few miles from the Republic of Ireland, and in the '80s and '90s, many people came over from the Republic and purchased petrol as they travelled through north-west Wales. When the escalator hit and the prices went up, the opposite happened. There is now a differential of a few pence, but passing trade still comes off the ferries and goes straight through to Cheshire to fill up with petrol.

I heard what you said, Sir Nicholas, and I will conclude my remarks because other hon. Members want to speak. The Minister is a reasonable person. As I said, the Treasury looked at the vehicle excise duty because of the impact that it was having in many areas, including peripheral and rural areas. I hope that she and her officials understand the strength of feeling in peripheral areas and islands across the UK because this is a real issue. It is hurting communities and ordinary families greatly. The Treasury was right not to put the fuel duty escalator in its Budgets straight away, but it has reverted to it. I hope that she and her officials will consider having pilot schemes in peripheral areas to try to create a level playing field across the UK.

Several hon. Members *rose—*

Sir Nicholas Winterton (in the Chair): Order. I make the plea again for speeches to be brief and succinct so that I can fit in all Members who want to speak.

10.7 am

Danny Alexander (Inverness, Nairn, Badenoch and Strathspey) (LD): Thank you, Sir Nicholas. I will be brief.

I congratulate my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) on securing this important debate. It is a subject that hon. Members from the highlands and islands have returned to again and again over the years and to which we will continue to return until we find a Minister who listens to our legitimate concerns, such as those raised by the hon. Member for Ynys Môn (Albert Owen).

I will begin by describing the experiences of people in my constituency. It is not an island constituency, but a large area in the mainland of the highlands. None the less, it is in a similar position to that described by my hon. Friend the Member for Orkney and Shetland. There is effectively a triple whammy that hits people in remote and rural areas: they have to travel longer distances; they face significantly higher fuel prices; and there are often little or no public transport alternatives. As has been said, for most people in such areas a car is a necessity, not a luxury. That could not have been demonstrated more clearly than by last month's cold spell, during which public transport was badly affected, and if people were able to get around at all, it was only by using their own vehicles.

To those problems, I add the fact that incomes are significantly lower in the highlands and islands. The average income is about 85 per cent. of the Scottish average, which in turn is lower than the UK average. As well as spending a lot of money on petrol or diesel to fuel their cars, people in my constituency, by and large, spend much more money than people in the rest of the country on oil to heat their homes. That is yet another cost burden that benefits oil companies and oil distribution companies. People in my constituency, particularly those in the most rural and remote areas, are spending a greater proportion of their already lower incomes on running their cars and heating their homes. They therefore have a great deal less disposable income to spend on other things.

Of course, many things could be done to relieve that burden. I will talk about the fuel derogation in a moment, but first I suggest that investment in public transport could make a difference. Like many of my colleagues, I am deeply disappointed by the lack of progress that the

[Danny Alexander]

Edinburgh Scottish National party Government have made on investment in public transport, particularly in the railways. It is deeply disappointing that no SNP Members are here to take part in the debate, when they claim to represent the whole of Scotland. This is an Edinburgh SNP Government, not a highlands and islands Government.

There are actions that can be taken. I was involved for many years in campaigning to persuade the Tesco store in Inverness to reduce its petrol prices to the level at the store down the road in Elgin, and we were finally successful only after we had held a meeting with the chief executive himself. However, the Government have by far the greatest power to address the issue, and the Minister should look at experience in other European countries. The European energy products directive allows a derogation to provide for a reduced rate of fuel duty in specific areas. Greece, France and Portugal have taken advantage of the derogation, and I see no legal or practical barrier preventing the UK Government from doing the same. The only barrier is the lack of political will, which, as my hon. Friend the Member for Orkney and Shetland said, stems from a complete lack of understanding of the way in which people are suffering.

My hon. Friend the Member for Caithness, Sutherland and Easter Ross (John Thurso) has proposed an entirely workable scheme, and I proposed a similar scheme a couple of years ago, although it was not entirely the same. A scheme could therefore operate in a variety of ways, and all the Treasury's objections have been answered by our proposals and by the way in which schemes have operated in the other European countries I mentioned.

Like my hon. Friends, I would support a pilot in island communities, which would demonstrate that a scheme was workable. The pilot could easily be extended to remote and rural parts of the mainland—anything to get the door ajar. I can see no practical objection from the Government's point of view to a pilot in island areas. I spent the first few years of my life on the island of Colonsay, in the constituency of my hon. Friend the Member for Argyll and Bute (Mr. Reid), and such a community, or a similar community on Orkney and Shetland, would be an ideal place to demonstrate a scheme's workability and social and economic benefits.

In the context of the recession, from which we are potentially only just starting to emerge, our proposals would also provide an economic stimulus to the islands and the remote and rural areas in which they were implemented, and I hope that the Treasury will consider them for that reason as well. Overall, the cost to the Treasury would be small, but the benefit to the communities affected would be enormous, as those of us who represent them know.

This issue is a critical test of the Government's commitment to fairness. Applying a reduced rate of fuel duty, which is allowed by European law, to remote and rural parts of the country would demonstrate that the Government understand the importance of treating all parts of the United Kingdom fairly. This is, or is supposed to be, a British Government, and they should understand and be sensitive to the needs, demands and economic interests of all parts of the country, including the highlands and islands. I therefore hope—almost against hope, on the basis of previous experience—that the Minister will show more sensitivity and understanding and more of a willingness to grapple with these problems than any of her predecessors.

Sir Nicholas Winterton (in the Chair): I thank the hon. Gentleman for his brevity.

10.13 am

Mrs. Anne McGuire (Stirling) (Lab): Like others, I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael).

I represent a large rural constituency, although it is on the mainland. Even though my constituency is only the size of Luxembourg, unlike constituencies in other parts of Scotland, which are the size of Belgium, I have seen the pressure that the price differential has put on rural petrol stations. I do not totally blame the Government for that, and there are major issues for the oil companies to address. We are talking about people not just travelling 40 or 50 miles to fill up their petrol tanks, but filling up their tanks in hub communities throughout rural areas when they go to work or go shopping. That is where we see the serious knock-on effect.

I want to make one or two points to reinforce some of the arguments that have been made. The Office of Fair Trading—what a disappointment! It would not know a market failure in rural and remote communities if one came up and slapped it in the face. There have been two investigations, and I had issues with the OFT a few years ago about how the price differential was working in rural communities. The OFT needs to get out and about to understand exactly what is happening in some rural communities and to see how the oil companies are not helping matters.

I ask the Minister to look at the derogation. I appreciate that there are many practical difficulties with instituting a pilot in mainland communities, but I see no reason why it would not be possible to institute one in self-contained communities that can be reached only after a five-hour ferry journey or, in the case of Shetland, a 13-hour ferry journey. The Treasury would gain great respect in such communities if it looked at ways of assisting their economies. I hope that it will consider the pleas that have been made here and in the Scottish Parliament, including by my Labour colleague, Des McNulty, who was quoted by the hon. Member for Orkney and Shetland. I hope that the Treasury will look at ways of using existing legislation to manage petrol and fuel prices more equitably in remote and rural communities.

As has been said, we are not talking about vast drains on Treasury income or a massive raid on Treasury coffers. These are small island communities of 10,000 people or fewer. We are simply asking for a scheme to be considered in Scotland, Wales and other parts of the United Kingdom. If we cannot get a solution for my rural community, I hope that we will at least see some movement as a result of the debate.

Sir Nicholas Winterton (in the Chair): I thank the right hon. Lady for her brevity.

10.17 am

Mr. Alan Reid (Argyll and Bute) (LD): I congratulate my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) on obtaining the debate. As he said,

we have turned to this subject over many years and raised it repeatedly in debates on Finance Bills. It is a pleasure to follow the right hon. Member for Stirling (Mrs. McGuire), and I wholeheartedly agree with what she said about the need to reduce fuel prices in remote rural areas.

People living in remote rural areas suffer a triple whammy. They must, of necessity, travel longer distances, the price of fuel is higher than in urban areas and there is a lack of public transport alternatives. In the remote mainland part of my constituency, the price of fuel is usually several pence higher than in Glasgow, and the same is true on the Isle of Bute, but it is on the Atlantic islands that we see eye-watering differences from the price of fuel in cities such as Glasgow. On the larger islands of Mull and Islay, the price is usually about 15p a litre higher; on the smaller islands of Coll and Colonsay, which my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander) mentioned, the price is often about 30p a litre higher. Those prices have to be paid by people going about their daily lives, as well as by local businesses, which means that the cost is passed on and reflected in the price of all commodities to local people.

There is an environmental argument for taxing fuel, but it works only if the tax persuades people to adopt an alternative form of transport, and there is no alternative in remote communities in the highlands and islands. There is no point in the council's subsidising buses if they run around with only one or two passengers; in those circumstances, the car is a more efficient method of transport.

As well as paying a higher price for fuel, people in remote areas also pay more tax to the Treasury because VAT is a proportion of the price, and the higher the price, the higher the amount paid in VAT. One principle of taxation is that it should be equitable, but it is clearly not equitable that people in remote areas pay more tax on their fuel than people in the cities. It is perverse that people who have no choice but to pay higher fuel prices and who are often on lower incomes pay most in tax. We have raised that point in Finance Bills over the years, but Treasury Ministers have come up with arguments for why our proposals could not be accepted, so in response to those objections we have refined our proposals.

Two years ago, my hon. Friend the Member for Caithness, Sutherland and Easter Ross (John Thurso) submitted to the Treasury a detailed paper on the matter, which I believe was entirely watertight, and there was absolutely no reason why its proposals could not be implemented. The Chancellor, in response to a parliamentary question from my hon. Friend the Member for Orkney and Shetland, indicated sympathy with our position. Despite the watertight case we put to the Treasury two years ago, which it was unable to rebut, and the Chancellor's words of sympathy, we appear to have made no progress over the past two years.

I want to endorse what other hon. Members have said this morning and suggest a pilot scheme on one or two islands. There is absolutely no possibility of people taking advantage of the reduced cost of fuel by travelling to an island on which such a scheme operates, as it simply would not be worth paying the ferry fare, and there is no possibility of fraud because an island is clearly separated from the rest of the country. The lower fuel duty would apply at petrol stations on that island and nowhere else, so there seems to be no possibility of fraud at all.

Dr. William McCrea (South Antrim) (DUP): Does the hon. Gentleman accept that the highlands and islands are not the only remote and peripheral areas in the United Kingdom, and that areas such as Northern Ireland face many of the same problems?

Mr. Reid: The hon. Gentleman is perfectly correct, and I fully endorse what he has said. I propose that the pilot scheme should run on one or two islands, and once it has been proven to work, it could be extended to other parts of the country. I am absolutely convinced that such a pilot scheme would be workable. As we heard earlier in the debate, France, Greece and Portugal have tried such schemes on their islands, and it is perfectly compatible with EU law, so I urge the Treasury to look at how those countries have implemented the schemes, try a pilot scheme on one or two islands and, if it is successful, extend it to other parts of the country.

The SNP Government in Edinburgh have cut ferry fares to the western isles but have neglected the other islands of Scotland. I suggest to the Government here that they could be seen to be helping the islands of Scotland if they introduced a trial scheme on some of them. I suggest that the larger islands of Mull and Islay would be ideal for a pilot scheme. That would allow the Government to say to the people of Scotland that they, too, are helping the islands and that it is not just the SNP Government who are making an effort to help them. It must be said that the SNP Government have been of no help to the islands in my constituency, and are only of help to the islands in a constituency represented by an SNP Member.—*[Interruption.]* In response to all these sedentary interventions, I note that no SNP Members are present for the debate.

Albert Owen: The SNP are partners of Plaid Cymru, and no one from Plaid Cymru is representing rural Welsh interests either.

Mr. Reid: That is correct. I urge the Government to adopt such a pilot scheme. In the short time left I want to refer to the OFT. The OFT carried out some inquires several years ago, but for some inexplicable reason found no market failure. I urge it to have another look at the matter, because there clearly is market failure. I hope that some action will be taken by both the OFT and the Government and that the Minister, when responding, will indicate a willingness to look at carrying out a pilot scheme on one or two islands, such as Mull and Islay, because it is a serious problem that needs to be addressed.

10.24 am

John Thurso (Caithness, Sutherland and Easter Ross) (LD): I can usually claim in debates to represent the constituency that is furthest away, but clearly my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) has that honour today, and I congratulate him on securing the debate. I will first pick up on the question of opportunity raised by several hon. Members, particularly the right hon. Member for Stirling (Mrs. McGuire). The OFT has conducted several inquiries

[John Thurso]

on the matter in my part of the world, but the problem is that it has concentrated on whether there are anti-competitive practices between garages in one or two local towns and found, quite properly, that there are not.

The problem is that in large metropolitan centres, such as Edinburgh or Glasgow, a forecourt with eight to 12 pumps and a throughput of vehicles could have a cash profit per litre of as little as 1p or 0.5p, so there would be sufficient cash throughput to amortise across the fixed costs. A petrol station with two pumps in a remote village such as Durness, on the top west corner of Sutherland, however, will have one car stop every half hour and so will be forced to have a larger cash margin per litre to be able to survive. The right hon. Member for Stirling is right that there is something fishy going on further up the supply chain, and that is where the Competition Commission should be looking.

What is the problem? The problem is that my constituents regularly face a premium ranging between 9p and 14p over the national average, and I have looked at that several times over the past nine years. The scheme I proposed would have rebated around 3p—it might have been 2 points or 3 points, but of that order. Therefore, the idea that people would drive across a boundary 30 or 40 miles away to pay less for their petrol, which in the early years of my proposal is what the Treasury said would happen, as my hon. Friend the Member for Argyll and Bute (Mr. Reid) said, is ludicrous. In fact, a rebate scheme would counter that by enabling people to fill up nearer home, and reduce the incentive to go off to the supermarket in Inverness to fill up. It would therefore have the opposite effect, with regard to carbon, by reducing the amount of petrol or other fuel used and allowing people to fill up more cheaply.

The absolutely critical point is not just that there is a premium, but that there is no alternative, and there never will be on the north coast of Sutherland. There was a post bus, but it has been taken away. There is now no way one can get from the middle of the north coast to Thurso, which is an hour away, and back on the same day. It is simply not possible. Therefore, if one does not have a car, or some good friends to stay with overnight, one simply cannot go into Thurso to see a doctor or dentist, go to the shops or do all the things that are a requirement of ordinary life, and the key point is that there are no alternatives.

I support the call my hon. Friend the Member for Orkney and Shetland has made for a pilot scheme, because I really believe that that can work. It would be an easy and simple way of showing that the scheme can work, or showing that it will not work, if the Treasury are convinced that it will not, and that will help the argument for other areas. I support the concept of a pilot scheme, but I will continue to argue that it should come across to the mainland in due course.

I will not go into the details of the scheme I proposed, but if any Members have serious trouble sleeping, I can send them a copy of the lengthy document and allow them to study it. I have gone through it in detail in several Finance Bill debates over the years. Three years ago, the Financial Secretary at the time—the right hon. Member for Wentworth (John Healey), I think—infamously responded to the proposal by comparing what I was requesting with giving Londoners a rebate on duty on beer. That simply demonstrated a complete lack of understanding.

By contrast, we made progress with the Minister for Pensions and the Ageing Society, the hon. Member for Wallasey (Angela Eagle), who was in the Treasury at the time and was extremely sympathetic. I met her, and she went through the detail and corresponded with me. I thought that we had nearly persuaded her but then she was promoted elsewhere, so we were back at the bottom again.

The scheme is entirely workable and is permitted under EU law. It will not give cheaper fuel in remote areas but will simply give a little bit of an alleviation to a massive disadvantage. Frankly, my constituents cannot understand why a Government who were elected on a promise of looking after those in need simply ignore this obvious and unfair situation.

Sir Nicholas Winterton (in the Chair): Before I call the Liberal Democrat spokesman, odd little noises have been interrupting our proceedings. I am advised that, because of our amplification system, digital telephones that are switched on might be contributing to the noises that are slightly annoying to me. If anyone has a digital phone, could they please switch it off?

10.31 am

Mr. Jeremy Browne (Taunton) (LD): Thank you, Sir Nicholas. I share your fondness for the old type of telephone that had a dial, as you knew where you stood on such occasions—*[Interruption.]* Appropriately, this is the first of the wind-ups in this debate.

I see from the Order Paper that today's next debate in the Chamber is entitled "Revitalising Parliament". I congratulate my hon. Friend the Member for Orkney and Shetland (Mr. Carmichael) on going a long way towards achieving exactly that goal with our first debate, which has been about fuel duty on petrol prices in remote and peripheral areas. Understandably, and quite rightly, he chose to address most of his comments to the particular concerns felt by people living in island communities, and those views were echoed by, among others, my hon. Friend the Member for Argyll and Bute (Mr. Reid) and the hon. Member for Isle of Wight (Mr. Turner).

Before I go into the more general disadvantages and difficulties faced by people in rural communities, especially remote rural communities, it is worth looking at the case for duty on fuel. I believe that most, or perhaps all, hon. Members would accept that there is a case for imposing duty on fuel. I can think of two reasonably compelling arguments why the Government would wish to carry on in that vein, and why all political parties share the view that it is appropriate to tax petrol.

The first argument is that the duty raises a considerable amount of revenue, and all of us who are concerned about achieving the proper level of funding for public services, such as the national health service and schools, realise that they have to be paid for and funded effectively. At present, this country is running a big public sector deficit. We are borrowing an extra £500 million every day, so everyone understands that it is extremely difficult for the Government to argue in favour of policies that would substantially reduce revenue.

The second case for having duty on fuel, which is often made and has been touched on already in this debate, is an environmental one. In most circumstances, it is true that the higher the price of a commodity, the less inclined one is to consume it. One can therefore drive down the consumption of environmentally damaging products by artificially increasing their price through taxation.

Having said that—this gets to the nub of the debate—one can do that only if there are alternatives, and that point was made well by my hon. Friend the Member for Argyll and Bute. To put it in economic terms, the price elasticity relating to demand for petrol is different in urban and rural areas. Under an economic model, one could double petrol prices in an urban area—I am not proposing this—and virtually wipe out private car use altogether, but if one were to double petrol prices in an area in which there is no alternative to driving a car, it would probably have a very small impact in environmental terms and on reducing car usage. What that would do, of course, is severely financially disadvantage people in isolated communities who have no choice but to drive.

This gets to the nub of the point that was made by my hon. Friend the Member for Orkney and Shetland when he introduced the debate on behalf of his constituents. In remote rural areas, there is a lack of critical mass to run an efficient and regular public transport system. In a city, where there is a density of population, one can run trains, underground trains and buses, and even turn a profit on their operation, because of the sheer number of people who wish to travel within a limited and confined space. However, if one were trying to provide a service on the islands of Scotland, or even in remote areas of England, Scotland, Wales or Northern Ireland, they would not have that critical mass.

Even if one were persuaded of the case for subsidising such services because of the lack of critical mass of population, there would be environmental as well as financial reasons for not doing so. My hon. Friend pointed out that it would be a bad use of public money, as well as environmentally disadvantageous, to run empty buses on the off-chance that somebody in a remote rural area might at some point wish to catch a bus.

Even in my constituency in rural Somerset, for example, it is possible to run a bus service out of Taunton through or near reasonably large villages such as Norton Fitzwarren, Cotford St. Luke, Milverton and Wiveliscombe. That route joins up several places with populations that are big enough to sustain a fairly frequent public transport service, but in other areas in which the critical mass does not exist, services are far more infrequent because the population is not there to sustain them.

A point that was made by my hon. Friend the Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), among others, is that people in rural areas travel larger distances, and, of course, one's fuel consumption is greater the further one travels. On average, those people earn less money than those living in urban conurbations, so even if they were to buy the same amount of fuel at the same price—typically they buy more fuel at a higher price—that would still consume a larger proportion of their overall income.

The transportation costs of fuel have been discussed in this debate, and I have had a look at those for the south-west of England. I am concerned—this point was touched on by my right hon. Friend the Member for Gordon (Malcolm Bruce)—that one of the cases made by the petrol companies does not seem to stand up to scrutiny. At one point, I asked them why petrol prices seemed to be higher in Taunton, which is on the M5 and a fairly straightforward place to reach using public and private transport, compared with large parts of south-west England, given that the transport costs must be lower compared with other areas.

I was told that the market was actually much more competitive than I fully understood, and that companies regularly looked at prices at the other outlets in Taunton before setting their own price. That struck me as a good description of an informal cartel arrangement. They were not trying to undercut their competitors or, if they were, they were trying to undercut them by a token amount. They were not trying to drive the price to the lowest point that the market would bear to achieve the maximum percentage of customers in the marketplace. There is a strong case for looking at the behaviour of the oil companies when it comes to setting prices.

To conclude, during our proceedings on last year's Finance Bill, my hon. Friend the Member for Argyll and Bute proposed his rural fuel discount scheme. It was well thought through and built on work done by my hon. Friend the Member for Caithness, Sutherland and Easter Ross (John Thurso). The idea was to give flesh to the proposal and assist the Treasury to bring it to fruition.

My hon. Friend the Member for Argyll and Bute did not specify in his proposal precisely what constituted a rural area or what the rebate level would be, but he put in place the legislative possibility of having a framework whereby the Treasury could run a scheme that would address all the points that we have been discussing this morning. Those proposals in turn were built on ones set out by members of my party in respect of the Finance Act 2007 and the Finance Act 2008. I understand that on all those occasions the Conservative party abstained, so I hope that its Front-Bench spokesman will say something rather more decisive and significant today. The Government, however, have dragged their feet on the matter. I hope that the Minister will at least say something encouraging about the possibility of running a pilot scheme in a confined area so that the Government can start to deal with a serious concern for my constituents and for people living in remote rural areas throughout the United Kingdom.

10.40 am

Mr. David Gauke (South-West Hertfordshire) (Con): It is an enormous pleasure to serve under your chairmanship once again, Sir Nicholas. I congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael) on securing this debate and on speaking with such passion and eloquence on a matter that is dear to his heart and which he has pursued over a number of years.

Several hon. Members have made it clear that there is significant concern in remote areas that fuel there is much more expensive than in most of the country. During this useful and informative debate, we have heard a number of explanations for why that is so, and concerns have been expressed about a lack of competition, principally in the supply chain. The hon. Member for Caithness, Sutherland and Easter Ross (John Thurso) made a point about the lack of customers for remote

[Mr. David Gauke]

petrol stations and their need to deal with fixed costs with fewer customers. The lower density of population in remote areas means that petrol stations are some distance apart and might not necessarily experience some of the competitive pressures that would exist in urban areas, although a number of hon. Members said that that was not really the fault of individual petrol stations, as they were just placed in a difficult position.

One argument dismissed by the hon. Member for Taunton (Mr. Browne)—a number of hon. Members have expressed the same view today and in the past—is that higher petrol and fuel prices are essentially caused by the inherently more expensive transport costs in remote areas. Hon. Members argued strongly against that point.

A number of hon. Members have stressed that fuel costs are particularly important in rural areas because public transport is not available—and not practical in many cases—and it is necessary to travel further and longer distances to reach amenities and facilities. Consequently, car travel is much more of a necessity than a luxury in such areas, yet it is more expensive to travel by car. The hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), among others, made the point that such areas are often poor, so higher fuel costs have a disproportionate effect on those living in them.

At the risk of upsetting the blood pressure of the hon. Member for Orkney and Shetland, I shall cite some of the arguments that could be made against his suggestions, although many are weak and have rightly been pilloried during the debate. The argument that people will travel longer distances to fill up their car is particularly absurd in respect of islands, and even in certain mainland areas, so we can safely dismiss it. Any environmental arguments have been rightly dealt with. In remote areas, there is no choice regarding public transport, although higher fuel duty is often used as a means of persuading people to get off the roads and to use public transport. That is not a reasonable case in such circumstances, so the environmental argument is not particularly strong.

I shall touch on an argument regarding price variations throughout the country, although I will tread carefully in this area because if it is expressed in a particular way, it can cause concern. Clearly, fuel is more expensive in remote areas, but one could look at housing costs, which also vary throughout the country, as an example of something that is a necessity and not a luxury. Some areas are much more expensive than others. One counter-argument—

Mr. Carmichael: Will the hon. Gentleman give way?

Mr. Gauke: May I just finish this point, because I want to set it out fairly?

An important distinction that could be made between housing costs and fuel costs is that tax makes up a large part of fuel costs—I do not know if the hon. Gentleman was going to make that point in his intervention. However, it is also fair to say that stamp duty land tax tends to exacerbate the cost for someone wanting to buy a house in a more expensive area. For example, in my county of Hertfordshire, the last time I looked, the stamp duty payable in respect of the average house price was £2,300. In some areas, however, the average house price is below the stamp duty threshold. Stamp duty therefore exacerbates the situation. There are limited things that we can do in the tax system to address this inequity, if one sees it in those terms—one could do something to help first-time buyers, for example—but there is more scope for doing something with fuel duty.

Mr. Carmichael: The hon. Gentleman makes a legitimate point. I commend him for approaching the argument with seriousness and respect, which I hope will be emulated by the Minister. We accept that there are issues to do with housing, including its availability, so we provide support for the housing sector through councils and housing associations. Surely the same principle should apply to transport where there is no other choice.

Mr. Gauke *rose—*

Sir Nicholas Winterton (in the Chair): Order. Mr. Gauke, you have three minutes.

Mr. Gauke: I will move quickly on, Sir Nicholas. I take the hon. Gentleman's point; the issue is whether we can do something about it.

The evidence that was presented on European Union restrictions was interesting.

Regarding whether cuts in prices would be passed on to consumers, the hon. Member for Caithness, Sutherland and Easter Ross has suggested an audit procedure, although that would involve a significant administrative burden. It would be interesting to hear what the Government have to say about that, although I sound a note of caution. More widely, the Government have mentioned the administrative difficulty, but I hope that the Minister will elaborate particularly on moving the duty point from petrol distribution networks and oil companies to individual petrol stations.

In conclusion, hon. Members have raised a legitimate problem and, in principle, we have no objection to using fuel duty as a way of addressing it. There are various points that we need to understand. There needs to be an assessment of how much such a measure would cost and precise understanding of exactly why there is such a disparity. We also need clarity about applicability. We have heard various views about whether a reduction in fuel duty should apply to islands or more widely. There are questions to consider, such as what we mean by remote and peripheral, and hon. Members have done some work on these points.

We need to ensure that the fuel duty reduction is passed on to motorists and we need to understand the full administrative impact of any such proposals. Those are reasonable, practical points that need to be addressed. They might have been addressed in the past, but we hope that the Minister will respond to them and say whether there is a practical way of addressing the concerns that have been so eloquently set out this morning.

10.50 am

The Exchequer Secretary to the Treasury (Sarah McCarthy-Fry): As ever, Sir Nicholas, it is a pleasure to serve under your chairmanship. I, too, congratulate the hon. Member for Orkney and Shetland (Mr. Carmichael)

on securing this debate on an issue of great importance to him and his constituents. That has been borne out by the passion with which he and other hon. Members have spoken.

The Government recognise that fuel prices have risen in recent months, and we are sensitive to the impact of high fuel prices on people throughout the country, many of whom have few alternatives to driving. For people living in remote areas, including those in Scotland, road transport is particularly important.

My first point is that the principal driver behind the recent increases in fuel prices is not Government policy, but changes in the international oil market. Over the past two years, the price of a barrel of oil has varied between $42 and $132, and the price of fuel by more than 30 pence a litre. I understand the case that hon. Members have made today, and I, too, run the risk of raising the blood pressure of the hon. Member for Orkney and Shetland because I do not believe that it is appropriate or feasible to set a different fuel duty rate for rural areas. I will give three reasons.

First, it is important that the Government remain consistent with the principle of UK-wide taxation. Secondly, there would be many practical difficulties with pursuing a reduced fuel duty rate in reality. Thirdly, it is uncertain whether there would be any benefit at the pump. I will address those three matters, but I will not spend so much time on the first, as the other two are more pertinent to the debate.

It is a general principle of the UK tax system that excise duties are levied at the same rate for specific goods throughout the UK. We know that fuel duty is not popular with motorists, but it is important to support public finances, and thereby to protect stability, employment and growth.

John Thurso: That is not the case in principle. Air passenger duty is not charged on lifeline flights.

Sarah McCarthy-Fry: I could enter into a debate with the hon. Gentleman on that, but I want to respond to the specific issues that are pertinent to the debate, including the practical difficulties. A reduced duty rate in rural areas would require a derogation under the EU energy products directive, so a definition of a remote area would have to be submitted to the EU Commission, and we could not forecast the outcome of that with certainty. Even without that barrier, it remains unclear how remote rural areas could be defined satisfactorily.

Mrs. McGuire: Does my hon. Friend accept that although hon. Members representing mainland rural communities may have accepted some of the difficulties that she has identified, there are self-contained, sea-distant communities within the United Kingdom where we could pilot a derogation on fuel duty?

Sarah McCarthy-Fry: We would still have to ask the EU Commission for that derogation, and some of the islands represented here today would not be included. I do not want something that is perceived to be unfairness across the country to become an unfairness between remote areas.

There is a wide variety of fuel prices throughout the UK, not just in Scotland. For example, the current UK average petrol price is around 111.8p a litre, and AA figures show that in Scotland as a whole, both petrol and diesel prices were 0.7p a litre below that average in January. Even in the highlands and islands of Scotland, different fuel price trends are not confined to neatly definable geographical areas, and prices fluctuate continually. Even within rural areas, prices are neither straightforward nor static. Figures from the Petrolprices.com website show that in some highland areas, average fuel prices are currently at or just above the UK average, whereas in others, fuel prices are more than 10p a litre higher.

I recognise that in some of the most remote islands, prices may be significantly higher—for example, more than 123p a litre in Stornoway on the Isle of Lewis, Lerwick on Shetland and Brodick on Arran. However, in Portree on Skye, the price is 117p a litre, and in towns such as Invergarry in the highlands the price is 114.4p a litre.

Many hon. Members have spoken about competition, and mentioned the investigation by the Office of Fair Trading. Previous investigations concluded that those variations result from market conditions—for example, the cost of transporting fuel to those areas, and the fact that smaller populations mean fewer filling stations—rather than market failures. There may be a case for the OFT to investigate the matter again, but it is an independent body. With different price trends throughout the highlands, defining the boundaries of a low-duty area and setting the level of a duty reduction would be complicated.

The hon. Member for Caithness, Sutherland and Easter Ross (John Thurso) said that one option might be to use the eightfold urban-rural classification produced by the Scottish Government. That identifies areas with a population of fewer than 3,000 and more than a 60-minute drive from a settlement with a population of 10,000 as being "very remote", but that criterion produces a region with highly irregular borders, and includes not just parts of the highlands and islands, but small pockets of the lowlands in the south-west. Those lowland areas, in Ayrshire, and Dumfries and Galloway do not seem to experience significantly above-average fuel prices. In addition, the eightfold classification would exclude the towns of Lerwick on Shetland, Kirkwall on Orkney and Stornoway on Lewis, which are all considered to be too urban to fall into the "very remote" category.

Even if we could modify the definition to exclude the lowlands and include all the islands, there would be problems due to the wide variety of fuel prices in remote areas. Prices vary even within islands, so any fuel duty discount might end up reducing some prices to below the UK average, while leaving others significantly above. The very remote region also includes some areas that are close to places where fuel prices are currently close to, or even below, UK averages. For example, the borders of the "very remote" region pass within 5 miles of Fort William, where current prices are only 1.1p a litre above the UK average, and within 5 miles of Oban, where current prices are only 2.1p a litre above the average.

A lower duty rate could offer incentives for new filling stations to be set up just over the border of the remote areas, where they might be able to undercut rivals in towns just a few miles away. That would distort the local fuel market, and encourage people to drive out of town to a low-duty filling station to fill up.

[Sarah McCarthy-Fry]

The introduction of lower duty rates in some areas would also create difficulties in ensuring compliance, and tackling the risks of fraud that would inevitably arise from having different duty rates on the same product. Fuel duty is currently collected by Her Majesty's Revenue and Customs at the point of distribution—the oil refineries—with the cost being passed to retailers, and by retailers to consumers. Creating a reduced rate in remote areas might require HMRC to distinguish between fuels at the refinery, but that would risk creating significant potential for fraud, as has been the case with the red diesel used by farmers and in industrial processes.

Mr. Carmichael: Will the Minister give way?

Sarah McCarthy-Fry: I will not give way because I want to finish.

To avoid those problems, it would be necessary to operate a system whereby retailers charged a lower rate, and were then refunded by HMRC on part of the duty. However, that would impose significant additional administrative costs, not only on HMRC, but on fuel sellers in the highlands and islands.

That brings me to my final point about the uncertainty of the impact on consumers of any reduced fuel duty rate. For small forecourts with stretched margins, there is a real risk that the administrative cost associated with a reduced duty rate could outweigh the benefits of the rate. In the light of that, there would be no guarantee that the benefits of any fuel duty reduction would be passed on to consumers, rather than simply being absorbed into fuel sellers' margins. It has been suggested that one way out of the problem would be for the Government to define the agreed margin that individual fuel retailers could employ each year, but that would clearly constitute a major intervention by the Government into the fuels market and would be contrary to the Government's general policy of allowing free markets to determine prices. It is also difficult to understand why fuel sellers would choose to enter into such agreements with the Government over their margins.

I recognise the difficulties facing people who live in remote areas, and are dependent on their cars, but the proposed fuel duty reduction would be contrary to the principles of the UK tax system and, more importantly, would be almost impossible to implement in practice. There would be almost no guarantee—

Sir Nicholas Winterton (in the Chair): Order. We have run out of time. We now move to our second debate. Will hon. Members who are leaving please do so quietly?

Revitalising Parliament

11 am

Mr. Andrew Pelling (Croydon, Central) (Ind): It is a special pleasure to serve under your chairmanship, Sir Nicholas. With your extended knowledge of this place, it is particularly appropriate for this debate to take place under your guidance. I am pleased to have secured the debate and grateful to colleagues who have come to contribute.

This debate could be seen as a curtain-raiser to the debate that will take place on the Wright report after the recess. The clear and helpful advice—perhaps even a stricture—given by the principal Clerk of the Reform of the House of Commons Committee, is that we should not pre-empt that debate. It is interesting to think about the history of this place, and that there is a clear rule against anticipation. That rule has obscure origins, and was there to protect other hon. Members. In the past, the organisation of the agenda of the business of the House was so chaotic that people would often try to pre-empt debates by tabling earlier Bills and motions. That rule against anticipation was reaffirmed by the Procedure Committee in 1907. I place that on the record in case people reading the debate in *Hansard* question why we were so careful not to mention the detail of the motions that will come before the House once we return from the recess.

Bob Spink (Castle Point) (Ind): The hon. Gentleman has proved himself to be an assiduous and good parliamentarian as well as a great constituency MP. He will know that our constituents are not interested in the arcane rules of this House; they want us to clean this place up and do it immediately. They are keen to learn not only about the input, and our expenses and salaries, but about what work we do for them. People are most concerned about the value for money that they get from their MPs. Will the hon. Gentleman be addressing that today?

Mr. Pelling: I very much hope so and I am grateful for my hon. Friend's kind comments. I was inspired by yesterday evening's contribution by the hon. Member for Bethnal Green and Bow (Mr. Galloway) to what was otherwise an ill-tempered, disorganised and unfortunate debate. He offers a radical agenda for this place, and as he rightly said yesterday evening, the public are looking for a substantial change in the way that this place works.

Mr. George Galloway (Bethnal Green and Bow) (Respect) *rose—*

Mr. Pelling: I will probably not be as radical, although I am happy to give way.

Mr. Galloway: I am grateful to the hon. Gentleman for giving way so early in his speech, and may I associate myself with the remarks that he made about your chairmanship, Sir Nicholas? I have served in Parliament alongside you for a long time, although you have served longer than I, and I think that you will not be in this House at least, after the election. That is a loss and it is a pleasure to appear—perhaps for the last time—under your chairmanship.

I am grateful to the hon. Member for Croydon, Central (Mr. Pelling) for securing this debate and for the ideas that we shared on the Back Benches yesterday evening. I wonder whether, through you, Sir Nicholas, I could ask the hon. Gentleman if, when he says, "this place", it has to be this place. I have come to the conclusion that this place is a museum and would be better officially turned into one. It would be a popular museum.

The Olympic village in east London has lots of residential accommodation that could accommodate Members. I think that we should take a look at moving east and cleansing these Augean stables by sealing them and making them a monument to what was good and what was bad about this place.

Sir Nicholas Winterton (in the Chair): I have used my discretion, and I think rightly.

Mr. Pelling: I am pleased that you have done so, Sir Nicholas, and I would also have been pleased to concede time from my 15 minutes. I am grateful to the hon. Member for Bethnal Green and Bow, and I feel privileged that he has taken the opportunity to attend, as I know that he had other competing engagements this morning. I would like to strongly endorse what he has to say. I love this place; I have shown 2,000 constituents round the Palace of Westminster, and it is not a criticism of the Palace to say that I strongly agree with the hon. Gentleman's proposal.

If we were based at the ExCeL centre, which is only two and a half miles away from the Olympic village, that would have a transforming effect on our ability to set our own culture, hopefully in a reforming Parliament after the next election. It would provide useful tied accommodation for Members of Parliament which, I presume, would be a little cheaper, and would underwrite what might be an unused facility once the Olympics are over. It would be marvellous if we could go there for the start of the autumn Session of 2012. It would also stimulate the local economy.

Dr. Richard Taylor (Wyre Forest) (Ind) *rose—*

Mr. Pelling: Before I give way to my leader, I would like to say that when I sat on the London Assembly, we had the luxury of being able to set our own culture and procedures. Moving would also have that effect.

Dr. Richard Taylor: I thank my hon. Friend for giving way. It is a real privilege to sit in a Chamber with three hon. Gentlemen who I can refer to as my hon. Friends, even if I have taken a great deal of licence and talked about other people from other parties as my hon. Friends, because I genuinely believe that they are. I want to suggest something that is a little more practicable. I would hate to move out of this place, as although it is a museum, it is great to show people around. It is a museum, but it has a function.

I would like to make a concrete suggestion to my hon. Friend the Member for Croydon, Central (Mr. Pelling). Surely allowing more free votes in this place would curtail the power of the Whips, make hon. Members think about what they were voting on, and allow a Government of either party or colour to say that they were listening to the views of the people as expressed by their representatives.

Mr. Pelling: I am grateful for my leader's intervention. It is a sign that independent MPs think for themselves without necessarily agreeing on a particular policy beforehand. In a Parliament full of independent MPs, the advantage would be that a debate about such issues would be held in public—this is only one small issue. My view on moving away from this place is that we could still come here for the Queen's Speech and important national ceremonies.

One of the constraints of this place is that our staff are in small, tiny rooms. Some rooms are larger than others, however, and in some ways the difference between tenancies could be seen as a reflection of the differences in British society. I sit in a fairly pokey little room in Star Chamber Court, but at least it has proximity to the Chamber. Our staffing would be much more efficient if we had modern, open-planned offices where resources were shared in such a way that there were a large number of people who were experts in matters such as migration or benefits. There would be huge economies of scale, and no doubt we would save significant amounts of money from the expensive running of Parliament.

Parliament needs radical change. People are, quite rightly, disillusioned with the way that Parliament is run. There is concern about expenses, and it is a scandal that some Members of Parliament have become millionaires off the back of publicly-funded speculation in the central London property market.

Much of what we have to say has its traditions in the Chartist movement or in the peasants' revolt, which in many ways was a reaction against too heavy a hand from Government. We still see that, in that well meaning Government often intervene in such a way as to place real restrictions on civil liberties, and when the Executive come into this place and arrest Members of Parliament such as the hon. Member for Ashford (Damian Green).

I think that radical and important proposals should be made when this place is in crisis and when young people are going to the polls at the rate of only 40 per cent. There is a great danger that that will continue. I found yesterday's debate about change to the electoral system most depressing; in fact, I found it so depressing that I walked out after three hours. The Government approach of being in favour of what they euphemistically call or what the Secretary of State for Justice called majoritarian structures is unfortunate, because of the situation to which it leads. At the last election, the Government secured 36 per cent. of the vote—4 per cent. more than the Conservatives—and had a very significant majority. There is no way that that electoral system can be said to speak for people. I believe in the first-past-the-post system and the value of constituency Members, but that can be combined with a list system. By abuse of the royal prerogative and by what Lord Hailsham would have called the elective dictatorship, we have ended up in a situation in which Government essentially take this place for granted. That is built on the first-past-the-post system.

I support the point sensibly made by the right hon. and learned Member for Sleaford and North Hykeham (Mr. Hogg) that it would be a natural evolution of this place—our processes have evolved over the centuries, so

[Mr. Pelling]

perhaps in some ways we can soothe those who think that this should be about not revolution but evolution—for it to change to one in which the Executive sit outside the Parliament. It would be far more effective if hon. Members themselves had the ability to legislate in the way in which Members of the US Congress do. We see what Members of Congress do in terms of boasting to their constituents about legislation that they have taken through. It is appalling that in the 1990s, private Members' motions were dropped. It is no wonder that people think that Members of Parliament do not have much influence. Indeed, this place has been leached of power and influence.

In the TV programme "The Thick of It", which is funny but unfortunately dreadfully true, Nicola Murray said about her ability to change things, "I am only a Cabinet Minister." Nothing could have been truer. I am talking about the way in which power is so heavily concentrated not only away from this Parliament, but away from the Cabinet to what has been described as a presidential system. Harold Wilson was described in that way. We should recognise that that is the change that has taken place.

I can give an example. Yesterday, I was expressing concern about the small number of GPs who are available overnight to help the 370,000 people of Croydon.

Bob Spink: Three.

Mr. Pelling: There were three GPs; I am grateful for the prompt from my hon. Friend. The Minister's response was, "I'm sorry. This is not my responsibility; it is a matter for the primary care trust." I went to see a Pensions Minister about an appalling abuse of Allders pensioners and the response was like something from a new version of "Yes Minister": "Of course I'm terribly concerned about this issue and I would be very happy to write a letter to the regulator, but you appreciate it would not be appropriate for me to be involved in this matter." That is a tremendous leaching of power away from this place. Ministers are themselves elected and if they are going to stay in Parliament, they should have the confidence and the strength to involve themselves.

I am mindful that I am coming towards the end of my time. I shall make some final remarks and proposals. This place should be closer to the electorate. We should follow the Chartist idea of yearly elections—I am not saying that we should all serve just a one-year term; we should serve five-year terms—so that we are much closer to the electorate. One way of engaging, which could not be regarded as a gimmick because it would have a positive effect on the attendance of Members up until Thursday evening and would create a climax to the parliamentary week, would be to have Prime Minister's Question Time at a time when people are more likely than not to be at home. It should not be at 12 pm. It should not take place on the basis of news management. It should take place at 9 pm on a Thursday, in the run-up to the political programmes on a Thursday evening on the BBC and, of course, after "Coronation Street".

It is valuable to be able to ask positive and sometimes conciliatory questions of Ministers. A charming Labour Member of Parliament came up to me in the Tea Room and said, "You're that chap who asked those tricky questions." I do not ask those questions that are normally along the lines of, "Bearing in mind that you are complete rubbish, what do you think about this?" to which the response from the Minister is always, "Well, you were rubbish 10 years ago." That gets us nowhere in terms of constructive debate. I tend to ask a more modulated question: "I concede that the Government are doing well on this, but they could improve on that." I said to that Labour Member, "I'm just polite." When we are polite, we get a reasonable response. This is about getting away from the partisan nature of this place. The charming Labour Member said to me, "No, you're not polite; you're just the smiling assassin." I rang my office and said, "Should I put that on my CV?" and was told, "No way are you putting that on your CV. It's not a credit to you."

Nevertheless, we should get away from the partisanship of this place, and many independent Members within parties, including you, Sir Nicholas, have managed to do that over time. It is possible to do it within parties and it is important that we have that. We must recognise that it is good news sometimes when Members of Parliament dissent slightly from their parties. Such is the discipline these days, imposed by Tony Blair and by the right hon. Member for Witney (Mr. Cameron), that any slight variation from the theme is regarded as a terrible betrayal and is portrayed by the media as a maverick approach. It would do credit to this place if Members of Parliament had the confidence to stand up to the Whips, to deal with the wily ways of the Whips and to recognise that they should progress their careers not by being quiet or by the Gilbert and Sullivan approach of not thinking for themselves at all, but by saying that they speak out for their constituents and they serve their constituents, not a political master.

All hon. Members present are, in one way or another, independent or Respect Members, and we believe that independents can debate an issue without partisanship. It is possible to represent our constituents well in that way. In many ways, Parliament is a place of talking, and our constituents would expect us to talk for them and to have a radical agenda to transform this place so that we can regain the confidence of the British people. Otherwise, we will return to the approach of popular opposition to this place, with reference back to Chartism and peasants' revolts. Parliament has always followed the best approach of recognising when there is upset and concern in the country and changing its procedures in an evolutionary, not a revolutionary way, so that we meet those concerns.

11.18 am

The Parliamentary Secretary, Office of the Leader of the House of Commons (Barbara Keeley): It is a pleasure to serve under your chairmanship, Sir Nicholas. As other hon. Members have said, you are a strong advocate for change in Parliament and I know that you have spoken on this subject on many occasions over the years. I congratulate the hon. Member for Croydon, Central (Mr. Pelling) on securing the debate, which was retitled "Revitalising Parliament", and the other independent Members who have spoken in this short debate. It is an interesting group of Members to respond to.

An important reform that I should perhaps touch on at the start is the present Government's suggestion of using Westminster Hall as a parallel Chamber for debate. The Select Committee on Modernisation of the House

of Commons recommended establishing the use of this room as a second debating Chamber. That change was not supported initially throughout the House—I think that you, Sir Nicholas, did not support it at the start—but hon. Members have since admitted that they were wrong and that they see the use of Westminster Hall as an important and useful change. We should continue to consider the type of issues that have been discussed today and keep making progress.

Let me turn to the points made by the hon. Members for Croydon, Central, for Castle Point (Bob Spink), for Bethnal Green and Bow (Mr. Galloway) and for Wyre Forest (Dr. Taylor). Constituents increasingly want to know what work their MPs are doing for them. The coverage of this place does not help with that, because just showing the Chamber all the time in the broadcast and media coverage does not help to show all the other work that MPs do. I am not lucky enough to be able to bring 2,000 constituents down to Parliament, because it is much too far for my constituents to travel from the north-west. Hon. Members whose constituencies are closer are lucky if they can bring thousands of constituents here.

There have, however, been a number of moves to take Parliament out of this place. The London Regional Select Committee, of which the hon. Member for Croydon, Central is a member, meets in various parts of London. For example, it met in Stratford, east London, on Monday, so things are happening on that front.

The hon. Member for Wyre Forest talked about allowing more free votes.

Mr. Pelling: The Regional Select Committees are an excellent initiative by the Government, and it is a shame that not all parties participate. They are a good model for Parliament, looking as they do, in a cross-cutting way, at different Departments.

Barbara Keeley: That is useful feedback. On the point about more free votes and curtailing the power of the Whips, it is difficult for me, as someone who was until recently a Whip, to hear what is often said about the Whips. There is a difficulty in striking the balance between the Government getting their business and their legislative programme through this place, and the need for Members to take part.

Mr. Galloway: When identity cards were debated, an hon. Member—indeed one of the most independently-minded Government Members—said that if there had been a free vote, the measure would not pass. Looking at that from the other side, the Member was saying that he would vote for something in which he did not believe, and that he knew was wrong, because it was a whipped vote on an issue of great magnitude. Is that not one of the things that have brought this Parliament into disrepute?

Barbara Keeley: As I have said, there is a difficult balance. I shall move on quickly, because a number of other issues were raised, but because there is such a difficult balance, we will end up debating the matter much more in the coming weeks.

The issues of staffing, offices, the way in which Members share resources and the need for open-plan offices were raised by the hon. Member for Croydon, Central. The central employment of staff has been looked at this year and, interestingly, Members have jealously guarded their right to employ their own staff and resisted any attempts at change or moves towards pooling. As the Independent Parliamentary Standards Authority takes on board many more issues and the independent regulation of this place, it should start to consider that matter. Certainly there are substantial costs. I have the substantial cost of running a constituency office away from here, and we must look at all aspects of that, including the possibility of sharing.

On yesterday's debate about the voting system, it is important that Members on both sides of the House know that restoring trust and confidence is vital. It is important that a Member has the confidence of a majority of the constituents who vote. Last night we voted to have a referendum that would ask the electorate whether they wanted to change the voting system to the alternative vote. Admittedly, different views have been expressed this morning, as was the case in the Chamber yesterday, but we cannot have people being elected on 25 per cent. of the vote of their constituents, because that will not inspire confidence.

On the Executive sitting outside Parliament, the Secretary of State for Transport has suggested that meetings be moved to Salford which, as a Salford Member, I would welcome. The Cabinet has met around the country, most recently in Exeter, and it makes contact with local people, holds local meetings and gets a feel for the place, as well as having the Cabinet meeting.

Mr. Pelling: I obviously did not express myself clearly enough. My point was about Ministers not being Members of the House—a bit like with Congress in the States and the French Assembly. Being on the road is worthwhile, but that was not my point. In many ways it would be better if the Executive sat outside Parliament.

Barbara Keeley: The hon. Gentleman did express himself well; I am just saying that we have made a start.

There is no time to develop the idea of yearly elections, but as the hon. Gentleman and I were elected on the same day, I ask him whether we have enough expertise after a year here? Some Members have been in the House for quite a while, but after coming up to five years, I am only just starting to understand the process and procedures of this place.

Mr. Pelling: I said that we would serve five-year terms, but that only a fifth of Members would retire every year.

Barbara Keeley: That would still lead to a lot of churn, but it is an interesting notion. The idea of whether we have Prime Minister's questions on Thursdays is also interesting, but I understand that setting the timetable for that session is a matter for the Prime Minister. The suggested time would be different, but the session would go back to where it used to be—it used to be held on Tuesdays and Thursdays.

The important theme of non-partisanship—not being partisan in every debate and on every issue—has emerged. Barack Obama talked about that this week. He has suffered the scars of trying to get his health care legislation through the House of Representatives and the Senate. The issue was also in raised in the Liaison Committee the other day. It behoves us all not to be smiling

[Barbara Keeley]

assassins but to be polite, and non-partisan when we can—the hon. Member for Croydon, Central makes a good job of that.

Moving quickly on, I want to touch on some successful changes. In 2007, there was a Modernisation Committee report on revitalising the Chamber. Now that we are so impatient for change, it is difficult to see that some things that have happened since then have been successful and are gathering pace. Topical debates and topical questions were introduced then, and the latter are proving to be very successful. Other matters that the Committee looked at to improve topicality, which was a big issue at the time, were urgent questions and debates. Mr. Speaker clearly now allows many more urgent questions and, with oral statements, there are now many more occasions on which hon. Members can question Ministers on urgent issues. We have had many highly topical sessions, on Haiti, Yemen, and salt reserves following the severe weather—that matter has come back to us this week—and we have heard oral statements this week about devolution in Northern Ireland, and, as the hon. Member for Croydon, Central mentioned, out-of-hours GP services. We are starting to get a better balance.

There have also been changes to how the Government are scrutinised. People might think that that needs to go further, but the Prime Minister now appears before the Liaison Committee, as he did most recently on 2 February. Interestingly, the Prime Minister said at that meeting that we need changes to make

"power more accountable to people, make people have a more direct relationship with their representatives and, of course, make the Executive give up some power it should not have to the House of Commons and to the elected authorities."

That is a real statement of intent about where we should be going.

Mr. Pelling: The hon. Lady is quite right to detail the good progress that has been made, but does she not concede that it is disappointing that the Government are not willing to release more time for Members to initiate their own legislative ideas? Would it also help the scrutiny process if we had a budget office that looked at Government performance, particularly their fiscal performance, at this difficult time? That is obviously another idea stolen from Congress, but it would boost the status of this place.

Barbara Keeley: Those are all interesting ideas, and when we have the expected debate on 22 February, some of those ideas might come forward. We have more scrutiny of economic matters and there are many debates. Recently, we had a debate on the pre-Budget report for the first time. Of course, we always have a debate on the Budget itself.

I shall touch again quickly on the London Regional Select Committee because, like many other Committees, it does a good job. In fact, it was set up as recently as 15 December, and is now doing some excellent work looking into London's population and the 2011 census. It has taken oral evidence, and we are all interested in the outcome and the forthcoming report.

We have seen a number of legislative and other changes, but perhaps the most important final matter to touch on is how the House engages with the public. That is changing, but we have much more to do. We have launched a new House of Commons website, and the UK Youth Parliament held an excellent debate in our Chamber on 30 October. Allowing the Chamber to be used by more members of the public, such as the Youth Parliament and perhaps an assembly of older people, is the right way to go, and it is done in the Scottish Parliament.

I look forward to the continuing revitalisation of the House and opportunities to debate the subject. It is very welcome that we have been able to hold today's debate. We have a further major opportunity for such debate on 22 February. I shall not anticipate that debate, but one of the motions touches on petitions. The hon. Member for Croydon, Central currently has 29 petitions on his website, and I am sure that he will be interested in contributing to how we can make petitions and our engagement with the public much more important and effective—

Sir Nicholas Winterton (in the Chair): Order. I am afraid that we have run out of time. It has been a most interesting debate; in fact, I think that it has been a unique occasion.

11.30 am

Sitting suspended.

Professional Football (Regulation)

[SIR NICHOLAS WINTERTON *in the Chair*]

2.30 pm

Tony Lloyd (Manchester, Central) (Lab): As ever, Sir Nicholas, I welcome you to the Chair.

It is interesting to note that we are discussing the governance and regulation of football on the very day when three clubs are appearing before the courts of our land in winding-up hearings. Portsmouth is a premier league club that has received lots of publicity. Cardiff City and Southend United are lower down in the football family, but they are nevertheless central to the interests of their supporters.

I want to establish today that football is the supporters' game. It was built by the fans over the years, and it is the fans who have made all our clubs—from the international household names down to the smallest and seemingly least newsworthy. All are of tremendous importance to the communities and the people they serve. However, when we look at this great game of ours—a national and a global game; the beautiful game, as Pelé once described it—we have to set it in the context of the almost reckless level of management that we have seen in modern times.

I shall speak a little about two of England's finest clubs, which between them can claim credit for the constant debate that I have with my hon. Friend the Member for Halton (Derek Twigg) about whether Liverpool or Manchester United are the most successful club in modern times. That does not matter today in a sense, because we can join with the supporters of both clubs. They would agree on almost nothing, but they would certainly agree that the crisis brought about by modern ownership risks the very existence of our football clubs, and that could be a tragedy.

Last Saturday was the anniversary of the Munich air crash. I am old enough to remember with awe and fondness those players who gave their lives for Manchester United. Their sacrifice lives on in the hearts of those who, tribally, are Manchester United supporters. I say "tribally" advisedly, because it matters so much to them. They have pride in the history of Manchester United, just as Liverpool supporters have pride in Liverpool, and the Portsmouth supporter has pride in Portsmouth. It is the same throughout our great footballing family. When Portsmouth played Manchester United last Saturday, the supporters of both clubs displayed the same green and yellow scarves. They had a common identity; they would have not agreed about the game that took place on that day, but they would have agreed that the reckless way in which those clubs have been managed is unacceptable.

The clubs might say that they treat their supporters as customers—to an extent that is true. However, ordinary supporters sometimes feel that, instead of being treated as customers or fans, they are simply mugs who are there to be milked with ever-increasing ticket prices and by the clubs finding even more ways to raise money. The reality is that, throughout the length and breadth of the football family, it is now seriously argued that the club model of football is a failed business model.

Bob Russell (Colchester) (LD): I am concerned to hear what the hon. Gentleman says about Southend United. May I advise him that I challenged the Government on the matter on 10 December 2007? In response, the Secretary of State for Culture, Media and Sport said:

"I know that the hon. Gentleman has asked about that before"—

a royal commission on football—

"but I do not think that the solution to the issues arising in English football is for politicians to step in".—[*Official Report*, 10 December 2007; Vol. 469, c. 14.]

What has happened during the past three years to prompt the hon. Gentleman to think that the Government should now become involved?

Tony Lloyd: Who said that it was not for politicians to step in? I do not think it was me. What I would say to my right hon. Friend the Secretary of State, who is a very good friend and a man of great credibility, is that the world has changed. The world that said two years ago that we should not regulate the banks is now regulating the banks. The world that said that we should not regulate manufacturing industry is now seeing the Kraft takeover of Cadbury. The world might be seeing the equation in a new light.

Mr. Andrew Pelling (Croydon, Central) (Ind): I congratulate the hon. Gentleman on securing this important debate. I am sure that there is nothing peculiar in politicians always wanting to support business, but these businesses employ many people. They employ not only the stars on the most significant sums a week, but ordinary working people. They, too, are important, which is why politicians should take an interest.

Tony Lloyd: The hon. Gentleman makes an important point. That is absolutely the case. A football club represents something of enormous importance to its fans, but it is important also to the wider community in cities such as Manchester or Liverpool.

It is probably not well known that Manchester has the highest number of day visitors anywhere in the nation outside London, and one driver for that is certainly the Manchester United and Manchester City football clubs. People come from all over the world to take part in acts of reverence at Old Trafford or—I say with a certain degree of irony—at the City of Manchester stadium. Both are important for our city. Liverpool and Everton are both important for the city of Liverpool, and one could go around the whole footballing family and say the same thing. My hon. Friend the Member for City of Chester (Christine Russell) tells me that Chester City, which was once a Football League club in its own right, is in danger of being thrown out of the Blue Square league. That is a tragedy. It is unable to field a team because it has not paid the players' wages for some weeks, and that is not untypical.

Bob Spink (Castle Point) (Ind): The hon. Gentleman is making some excellent points. My constituents largely support Southend United and they are watching the tragedy unfold before their eyes. They know that the taxman wants only a small proportion of the money that the club has received, and they wonder what has happened to the greater sum. They are looking for ways to control the problem and remove this self-inflicted financial crisis. Does the hon. Gentleman believe that

[Bob Spink]

limiting the amount that clubs can pay in salaries to a proportion of the club's football-related income should be considered by the Football Association?

Tony Lloyd: It is certainly a matter for consideration, but if the hon. Gentleman will bear with me, I shall come in a moment to some of the things that we ought to consider. Without Government intervention, we will not see the kind of action that could help Southend and the rest of the football family.

Hugh Bayley (City of York) (Lab): York City football club was almost brought to its knees by the poor business decisions that were made by its owners when it had a traditional private company structure. However, a supporters' trust that received assistance from the Department for Culture, Media and Sport helped to rescue the club. Does my hon. Friend see a good case for supporters having seats on the boards of such companies so that people with the best interests of the club at heart are following the financial transactions being made by the board?

Tony Lloyd: My hon. Friend probably remembers York City beating Manchester United—it is going back a week or two.

Derek Twigg (Halton) (Lab): I certainly do.

Tony Lloyd: My hon. Friend, as a Liverpool supporter, perhaps remembers that better than I do.

The York model, like the model at Exeter City, with supporters taking over the clubs, has worked. I shall come later to the role of the supporter but the fans are central to the future of football. They built the clubs, and they are the future of the clubs, so a proper role for the fan is fundamental.

The fact that we have already had a geographical tour of the nation is interesting, because this issue will be dismissed by some who will say, "Why are parliamentarians talking about football?" Does football matter when we could be debating the global financial crisis or the success of the national health service and all the things that you, Sir Nicholas, believe in as passionately as I do? Actually, football does matter. It matters to hon. Members on both sides of the House and to the people whom we represent.

Mr. Mike Hancock (Portsmouth, South) (LD) *rose—*

Tony Lloyd: It also matters to the people of Portsmouth.

Mr. Hancock: How does the hon. Gentleman envisage us changing the way in which football clubs are viewed? They are seen in regulatory terms as a financial institution, rather than as a cultural and sporting asset to any city or town in which they are located, which is how most of us in the Chamber see them. That is the mentality that we must shift, and Government have a role in ensuring that that shift comes into play.

Tony Lloyd: I wonder whether the hon. Gentleman will allow me to make a bit of progress, but I will come on to those issues because they are central to what we are discussing.

We are now dealing with a failed business model. It is one that has seen many of our clubs—from the large to the smaller—soaked in debts to such a level that they are put at risk. Let me refer to Liverpool football club, which was taken over some years ago by its present owners. The owners made quite extravagant promises about building a new stadium, but they have in fact spent the past three years trying to repay the interest payments on the debt that was accrued.

Derek Twigg: I am sure that my hon. Friend is aware of the absolutely massive opposition to the current Gillett and Hicks regime at Liverpool. Given the amount of money that is involved in the top football clubs, the situation becomes dire if anything goes wrong. Promising to do something and not delivering on it is one thing but when big amounts of money are involved in football, the impact can be massive.

However, smaller clubs such as Runcorn, which will shortly move to a new ground, are just as essential to the game. Although we should concentrate on some of the concerns around the big clubs, we need to consider seriously the whole issue of football and its importance to this country.

Tony Lloyd: My hon. Friend is absolutely right, and that is central to what I want to get across. It is about the whole of football. Yes, it is about the big clubs such as Manchester United and Liverpool, and my hon. Friend is right to say that the sheer volume of debt that has been dragged into those clubs puts their very basis at risk. However, the same applies to the minnows—I do not use that word dismissively—in football, which are absolutely vital to the long-term future of our national game.

In the context of Manchester United, may I just say that their support base is aggrieved? Last Saturday, tens of thousands of the 75,000 supporters were waving green and yellow flags—as my right hon. Friend the Member for Sheffield, Central (Mr. Caborn) is demonstrating—to show their unhappiness, anxiety and concern about their club, which was once free of debt. The takeover by the Glazer family in May 2005 cost £810 million. Of that, some £540 million was in loans. In the period since the takeover, £340 million has left the club to service the debt that was brought in to finance that highly leveraged deal. That is a preposterous amount of money to be leaving a club such as Manchester United, even though the club, along with Real Madrid, lays claim to being the biggest or the second biggest sporting venture on the globe. That money has been put in week after week by supporters and customers.

Last year, Manchester United reported a profit of £32 million. Only the sale of Ronaldo for £80 million—he was clearly an asset, but I was not necessarily sorry to see him go, given the saga that took place—turned a loss of £48 million into a profit of £32 million, and arguably that was in the most financially successful playing period in English football in recent times. I do not say this with any happiness, because it is clearly a very unhappy situation, but the situation has become even more perverse, with the club floating a bond of £500 million to retire some of the debts. We are told that as a result of that, and of the commitments that have been made, the Glazer family can take £172 million out of Manchester United next year, which is a phenomenal

amount of money for a club with a sales turnover of £280 million. Such figures do not add up in the long run. It might be that the Glazers have a cunning plan, but nevertheless I must say to my hon. Friend the Minister that we now need transparency at club level to ensure that the supporter knows what is going on.

If there has been a failure at club level, there has also been a failure at league level. We see so many clubs—the ones that we have already talked about up and down the country—in difficulty, and that is felt at a national level. A sad reality is that it makes economic sense for clubs to scour the world looking for nearly-ready talent to come into our game, rather than putting the money into the development of the next generation. That is why the smaller clubs matter in football. Clubs such as Chester City and Stockport County were the feeders for the bigger clubs, and then the bigger clubs were feeders to the even bigger clubs.

Ann Coffey (Stockport) (Lab): I entirely support my hon. Friend in his efforts to get a new framework that will give greater protection to football supporters.

Sir Nicholas Winterton (in the Chair): Order. Will the hon. Lady address the Chair? I am getting on, and my hearing is not quite as good as it used to be.

Ann Coffey: I apologise, Sir Nicholas. Before Christmas, I wrote to the Football League after a meeting with the administrators of Stockport County. Basically, I was seeking assurances about the release of the club's share of media funding. When I read the response from the Football League, it was very clear to me that there is very little flexibility in the rules and regulations that govern the operation of the Football League. Does my hon. Friend agree that it is essential for clubs such as Stockport that we have a review of those regulations and rules to ensure that the Football League operates in the wider interest of the public and of football supporters?

Tony Lloyd: I agree with my hon. Friend. Let me turn to the regulatory framework, which simply does not work. Whether we talk about the Football League or the premier league that have commercial interests or the FA that supposedly takes the high-order view of the global interests of the game, I regret seeing clubs operating by standards that do not work. When the FA wrote to me in preparation for this debate, it said that it has made great progress in recent years, working alongside its professional game partners to ensure collectively that the football authorities provide the right balance of regulation and incentive to ensure the sustainability of football clubs. If that is the case, where have the FA been in recent times? An FA that is so complacent is an FA that is not fit for purpose, which is why we need external regulation.

Graham Stringer (Manchester, Blackley) (Lab): I am grateful to my fellow United supporter. I have been following his arguments very carefully and find that I agree with them. United's competitors are not York City or Southend or even really Portsmouth. United's main competitors are Real Madrid, Barcelona and Bayern Munich. We need a level playing field for international competition, and that is the responsibility of FIFA and UEFA, and they should introduce regulations to ensure transparency and to limit the amount of debt, and that would stop leveraged buy-outs, as happened to Manchester United.

Tony Lloyd: My hon. Friend anticipates part of what I am going to say. He is absolutely right: if we do not have an international dimension to all this regulation, we fail our national game, because there is no doubt that at every level—not just the top level—the interrelationship of clubs across Europe and around the world matters. Even in the lower leagues in England, we see players being drawn in from south America or Africa. Our game is global at almost every level and that is why we need to internationalise the regulation.

At no point would I argue that there is no room for debt in football. Debt is probably a necessity when clubs—whether Runcorn or Liverpool—are looking to develop new stadiums. It is quite possible that the introduction of some debt is legitimate. I am also not arguing against foreign ownership and least of all against foreign players coming into the English game. There are good examples of foreign owners. Randy Lerner at Aston Villa is an American and he has shown a real commitment to the game of football, to Aston Villa and to all that the club means to the people of Birmingham and beyond.

However, we must now have something that begins to bear down on the excesses that have taken place in football. My right hon. and hon. Friends in government—our Ministers—have a responsibility to look seriously at the Government's role. We can no longer accept a hands-off approach from central Government. Football is our national sport and an international issue, and if we are taking this argument into Europe and around the world, we need the Government to be behind it, as they are, for example, rightly behind the campaign to bring the World cup to England in the years to come.

We need to look at establishing some principles. We need to say that the development of the national game is vital, so that any strategy for football must look at the game as a totality and not just at the individual clubs. We must look at the need to develop home-grown players and at how we bring those players through the system. We also must look at the role of the supporter. My hon. Friend the Member for City of York (Hugh Bayley) raised the issue of the supporter, and we have to put the football fan at the centre of the football family.

There is a paradox: 10 years ago, the football taskforce produced a very sensible report. Its majority report made very sensible recommendations; yet a decade on, we are still waiting for their implementation. In fact, the all-party group on football, which includes a number of Members who are in Westminster Hall today, including my hon. Friend the Member for City of Chester, made very sensible recommendations a year ago about the future of football. In that sense, there is nothing new in what I am about to say. However, what is frustrating is that we have seen so little action on this issue, although football is now arguably in a state of financial crisis.

We have to put the Football Association back in charge of football. However, it must be an FA that, first, is not cowed by the money in the premier league or the Football League and, secondly, does not express the complacency that I evidenced earlier and begins to say that it will stand up for the stakeholders in modern football.

[Tony Lloyd]

We have got to give some reality to the question, "Who is a fit and proper person in the game of football?" With Portsmouth, for example, nobody even knew who the owners of the club were, never mind whether they were fit and proper people to be in football. Clearly, the concept of a fit and proper person is way beyond not only the ordinary supporter but the wider stakeholders in football. Within that concept, we have to include the idea that financial stability and credibility is part of that matrix of fitness and properness. That financial stability and credibility must include the capacity to absorb debt, or rather not absorb debt, into the club. There is nothing anti-capitalist in this argument—I say that for the benefit of my hon. Friend the Member for Hayes and Harlington.

John McDonnell (Hayes and Harlington) (Lab): You were taking me with you. *[Laughter.]*

Tony Lloyd: Only because I want to appeal to the global audience.

The NFL—the National Football League in America—regulates American football and has very strict limits on the amount of debt that clubs can take on board. Frankly, if that is good enough for the Americans in this sporting context, we ought to learn at least some of the lessons from the United States and impose them over here.

Mr. Pelling: The hon. Gentleman mentioned American sports. Would it not be better perhaps for the premier league to copy what is done in America, by sharing revenue among clubs to ensure a healthier and more competitive league system?

Tony Lloyd: Many of these ideas obviously ought to be on the table. I can think of arguments for and against such revenue sharing; as a Manchester United supporter, my instinct is to say no to it. However, the reality is that football needs to see itself as a totality. No one club can compete against itself. I am sure that I will not be popular in my own constituency for saying this, but if Liverpool FC was to go out of business, it would actually not be in the interests of Manchester United or Manchester City, because we need quality teams to play against, however frustrating it is on those occasions when the wrong result emerges from those contests with Liverpool FC—they emerge less now than they did previously.

Another issue is almost bizarre, and I ask my hon. Friend the Minister to look at it. Tax relief is available for those who buy football clubs with leveraged bids. It is preposterous that we are allowing rapacious corporate raiders to come in and use tax relief as a way of gearing their acquisition of otherwise financially sound clubs. Quite frankly, we ought to get rid of that tax relief in this industry.

Across the board, let us go back to the football taskforce and its majority report and to the all-party group on football's recommendations. Let us consider those recommendations and that report quite seriously, and let us begin to say that we will implement them.

I want to conclude with a couple of specific propositions. We have got to look at the models for protecting supporters' interests that exist elsewhere. In Germany, for example, a club's supporters have the golden share, which prevents abuse by the German football clubs against the interests of their natural support base. That makes a real difference. Germany has bigger crowds and lower ticket prices than this country does. Ticket prices come up, time after time, among ordinary fans here, because they feel that they are being ripped off.

We also need to look at the Barcelona model or, if people prefer, the John Lewis model of share ownership, which establishes ownership among the ordinary supporters. *[Interruption.]* I will not venture further down that path. However, it is important that we look at the different models that exist.

Whatever happens, we must ensure that the supporter can be included. I was once a shareholder of Manchester United; that shareholding was liquidated, under company law, when the present owners took over the club. I had a nominal shareholding as a matter of tribal loyalty or tribal support, not because I wished to take over the club or run it.

Mr. Hancock: You had shares? Why did you not vote?

Tony Lloyd: I once had shares. Of course, they have now gone, because they have been liquidated and that has applied across the board. So we must find a way of involving the fans in the governance and running of the clubs and the leagues.

I want to finish on a very personal level. I mentioned the Munich air crash before. I can remember the impact on the city of Manchester when those young men died—at the time, when I was a boy, they were men to me. It had a profound effect on a city such as mine. That memory is still strong and vivid, and it is not a memory just for one generation; it is carried down culturally from one generation to the next. The same would apply to people in the cities of Liverpool, York or Portsmouth, or wherever.

Actually, I am one of those people in Manchester who has always watched both football clubs; I watched Manchester City as well as Manchester United. I can talk about City players from the past such as Johnny Crossan and not just the famous City players such as Lee, Bell, Young and Summerbee.

In the end, football does matter. It is about our tribal identities. That can be bad, in the worst excesses. But football is the beautiful game; it is the game that ennobles people if it is played in the right way, and it is the game that is about giving entertainment but also values if it is played in the right way. Most of us grew up thinking that those role models—the captain of England, when it was Bobby Moore or Billy Wright—were sterling people who had values that carried us through in life.

I look back to that older generation who gave me those values, and I am grateful for that. We should not put that at peril by saying that football is only a commodity to be bought and sold; if we do so, I am afraid that we betray this beautiful game of ours, and we betray the heritage that we ought to hold precious.

I have spoken at length; I hope that other Members might have the chance to speak.

Several hon. Members *rose—*

Sir Nicholas Winterton (in the Chair): Order. Clearly, a number hon. Members would like to catch my eye and I would like to fit them all in. I intend to call the Front-Bench spokesmen shortly after 3.30. We therefore have just over half an hour for all Back-Benchers who wish to get in. If anyone can guarantee that they will talk about Macclesfield Town football club, I assure you that they will be called.

3 pm

Mr. Mark Field (Cities of London and Westminster) (Con): I am a lifelong supporter of Bury football club, which beat Macclesfield Town only last night to record a sixth consecutive victory. I was not going to bring up that sore subject.

I congratulate the hon. Member for Manchester, Central (Tony Lloyd) on securing this extremely timely debate. This very day, the futures of Portsmouth, Cardiff City and Southend United are being debated in the courts. I welcome the opportunity to discuss the state of our national game and its governance and regulation. I have a keen interest as a lifelong fan and follower of football, and as a member of the all-party football group, to which the hon. Gentleman referred. I represented the Conservatives on our reports on the game's governance in 2003 and on the finances in 2008-09.

I have long argued that the sport is too loosely regulated, perhaps in the self-interest of the top premiership clubs that have a global reach. One difficulty with trying to empower the Football Association is that the premier league will not have it.

As the hon. Gentleman rightly said, many people claim that politicians should not interfere in the running of our national game. However, in my view, it is perfectly legitimate for us to debate the issue. Tens of millions of pounds of public money have been spent over the past 25 years on repairing football stadiums since the Taylor report. Football plays an important and significant role in the local economies of numerous towns up and down the country. Furthermore, it is an integral part of British culture and remains a highly successful export.

Live coverage of English football, predominantly of premiership games, goes out literally worldwide, attracting a regular audience of nearly 600 million people. When I was in Dhaka in Bangladesh recently, I turned on the television at 11 o'clock the night before I came back and on ESPN were live Arsenal and Manchester United games.

Bob Spink: On a positive note, will the hon. Gentleman join me in congratulating the Football League on its partnership with Help for Heroes? It has fundraised for returning heroes and provided free and discounted football tickets for our armed forces.

Mr. Field: I agree with the hon. Gentleman. I saw that work when I watched my local club at Aldershot, where perhaps it is understandable to see Help for Heroes, and Dagenham and Redbridge in recent months. I vouch for that being a tremendous initiative.

Those who do not subscribe to the obsession that we football fans share will perhaps fail to understand the passion and growing concern that many of us have about the game and its future. There are serious questions to be asked about the morality and values underpinning the game, particularly in the premier league. The people's game has undergone a dramatic transformation over the past 18 years since the formation of the premier league and there is an unprecedented and probably unbridgeable gulf between the top clubs and the run-of-the-mill premiership teams, let alone clubs playing outside the top flight. I fear that is partly due to the lack of competition that has been referred to. It is the direct result of lax governance and an absence of effective regulation. There are no wage, squad size or registration restrictions—a state of affairs unknown in other sports around the world, from Aussie rules football to US baseball, as the hon. Gentleman for Manchester Central said.

Before discussing the potential reforms that could improve the situation, we must take a step back and consider how we got to this point. A key contributor to the radical change in English football is the huge revenue incomes of premier league clubs, in comparison with their Football League counterparts. To indicate the scale of that revenue, premiership clubs receive £2.8 billion, split between 20 teams over a three-year contract. In stark contrast, the Football League's latest contract is worth £88 million annually, divided between 72 clubs.

Crystal Palace, here in London, are the latest club to enter administration. They join a host of clubs that have experienced that traumatic fate in recent years, including Leeds, Southampton, Rotherham United, AFC Bournemouth and Luton, which is no longer in the league. Premier league clubs have hitherto only flirted with that prospect and we all await the fate of Portsmouth today. The sole difference is that the premiership clubs, by virtue of the vast sums of TV money, tend to have a greater ability to attract some form of bail-out.

One of the few pieces of regulation that premier league clubs adopted from the Football League is the fit and proper persons test. However, that is more honoured in the breach and is in urgent need of attention. Half of premiership clubs are foreign owned, often involving dubious investment made by cagey consortiums. It seems that the need for immediate cash-flow relief renders the test optional rather than compulsory.

Even at home, it is noticeable how much money talks. Last month, David Gold and David Sullivan completed their takeover of West Ham United. Twenty years ago, a similar approach by the same duo was rejected out of hand because they were regarded as below the salt, their money having been made in soft porn publishing. Today, they are rightly perceived as transparent and legitimate investors in football and as preferable to the many foreign and shady owners.

Mr. Hancock: They are fans.

Mr. Field: Indeed, they are fans. Even Manchester United and Liverpool are saddled with the burden of foreign leveraged buy-outs.

How can we improve the state of the game? Football agents have been under intense scrutiny in recent years. Sadly, it has become fashionable for the media, clubs and football authorities to heap all the blame on agents. Although they are easy scapegoats and, as we are told frequently, leeches on the great game, the facts are less simple. Clubs, managers and owners have often colluded in the worst practices, furtively using agents to tap up players who are not on the move, with the agents feeding soccer journalists self-fulfilling stories about player unhappiness or club desire.

[Mr. Mark Field]

The core of the problem is the eternal conflict of interests in all agency relationships, which is made worse by the grubby antics of all too many football clubs. Essentially, agents are not instructed on many of the transactions in which they involve themselves. They claim, and are given, fees by players and by clubs, both at the buying and selling ends of the deal. Some have wider consultancy arrangements whereby clubs pay for their services, which can involve sabotaging transactions and tipping off journalists with misinformation.

It is time for a proper code for agents in the game. There must be clear, punitive sanctions, especially against clubs and their employees. Any fee for agency services should be paid by only one party to a transfer deal. It is all too easy to blame agents for what has happened in the game. There are also a number of underlying problems. Financial irregularities have become all too frequent in recent times and have gained high-profile exposure. Football is languishing in the lurid world of celebrity, increasingly appearing on tabloid front, rather than back pages.

I have painted a somewhat grim picture thus far, but there is some positive news. It relates to the Football League, which continues to lead the way in good governance of the national game. Over the past few years, the Football League has rolled out a number of measures to try to stabilise the financial health and future existence of its 72 clubs. We should highlight those measures and promote them to our top flight clubs.

In April 2003, the Football League clubs introduced a sporting sanction of 10 points for any club entering administration so that financial irresponsibility and unsustainable growth off the field is met with a real punishment on the pitch. The risk of losing points or a place in a certain league promotes responsible management and is surely factored into risk taking in the Football League, if not in the premiership.

Mr. John Leech (Manchester, Withington) (LD): I agree that losing 10 points is a bad sanction that encourages club owners not to go down that financial route. Unfortunately, it is the fans who lose out as a result of their club losing 10, 20 or 30 points.

Mr. Field: It is the fans who lose out. To be brutally honest, when the Glazers first appeared on the scene in 2005, most Manchester United fans were entirely happy because they saw the huge amount of money coming into the club as a counterbalance to the influence of Roman Abramovich at Chelsea.

Mr. Leech *rose—*

Mr. Field: If the hon. Gentleman will excuse me, other hon. Members want to speak and I want to say just a couple more things.

Another positive step forward is the divisional pay clause in players' contracts, which states what each player will earn regardless of relegation or promotion. As the hon. Member for Croydon, Central (Mr. Pelling) said, league two clubs have the obligation that only 60 per cent. of football revenue can be paid in wages. That is a sensible way forward.

My worry is that the game cannot remain split into the haves and have-nots. The community game mentioned by the hon. Member for Manchester, Central—it is very much a passion for him—has existed for the past 100 years, but is in great danger of drifting irreversibly towards a franchise structure that is more akin to that in American football, where only a small number of franchise clubs in just 10 or 12 of the biggest cities can play a part. We have already seen the first step in that direction, with the birth of the Milton Keynes Dons in 2004, which saw a south London club, Wimbledon, bought, relocated—notionally, at least—from south-west London to Buckinghamshire and given a new identity.

This is a timely and important debate. I hope that Members will gather that I have a lot of passion for football, as many other Members do, and I look forward to hearing their contributions.

3.10 pm

John McDonnell (Hayes and Harlington) (Lab): I declare an interest as the honorary vice-president of Hayes and Yeading football club, which was created in a recent merger. We won 4-0 last night, although I was in the House debating alternative votes, but there you are.

We all share the passion for football. I come from Liverpool and I am a Liverpool supporter; indeed, my family is obsessive about the club. When my mum and dad got married after the second world war, their honeymoon was a home match and an away match, with a reserve match thrown in, my dad being the romantic that he is.

I share the analysis of my hon. Friend the Member for Manchester, Central (Tony Lloyd). What is happening in football mirrors what is happening in the wider economy, with the boom and bust, the speculation, the leveraged buy-outs and the unsustainable debt ratios. None the less, the Government had an excellent record before the credit crunch hit football and the wider economy, and I pay tribute to my right hon. Friend the Member for Sheffield, Central (Mr. Caborn) for the Football Trust report, the first stages of its implementation and the 5 per cent. that we got from TV levies to support football at the grass roots—all that was excellent. I also support UEFA's plans for financial controls, because we need a Europe-wide approach, despite the criticism from some premier league clubs.

In the face of the crisis that has hit the football economy and the wider economy, however, we need to go much further, and I want to make a few brief points. First, on leveraged buy-outs, due diligence needs to be extended from directors to the sustainability of any bid proposal. Controls should be placed on debt ratios, and debt should be limited to reflect the realistic record of income levels, so that the debt and the club can be sustained in the future. Such issues should be assessed independently by a football financing commission, which could go in and prepare an independent and fully open and transparent report so that supporters and the wider public can see whether a buy-out or an investment is sustainable.

Secondly, my hon. Friend the Member for City of York (Hugh Bayley) mentioned stability, and I share his view. The best forms of stability are always secured when the supporters are fully involved, and we need look only at Barcelona. Germany has also been mentioned,

and 50 per cent. of the clubs there are owned by the supporters, so there is a model. That is why I supported the Government's promotion of supporters' trusts, which is an excellent idea as far as it goes, although even some of the trusts are finding themselves in financial difficulties—Brentford is one example. We need to introduce regulations to reserve 20 per cent. of board membership for supporters' representatives, who would be duly elected from the supporters clubs. In that way, those who actually love and support the club will have a more effective influence over the board.

Thirdly, there is the issue of wages, which is raised with me at every match. Players' wages, particularly in the premiership, are obscene. Players earn in one year what many of my constituents fail to earn in their lifetime. I appreciate that a player's footballing career can be short, but such high levels of pay are not sustainable, and I want to suggest an alternative. The Prime Minister has discussed a Tobin tax on banks and speculation, and I would support a Tobin tax—it has been renamed a Robin Hood tax—on players' wages. If a player was earning more than, say, £2,000 a week, they could pay 5 per cent. in tax, and the money could go towards supporting the development of grass-roots football in the developing world. In a way, that will send a message to clubs that have paid so much for players.

Mr. Gregory Campbell (East Londonderry) (DUP): I have listened with interest to some of the hon. Gentleman's suggestions. It would be valuable and interesting to examine the one that he has just outlined, but it would surely work only if it was introduced on a European basis, because we cannot have even more of our best players ending up playing for Bayern Munich and Barcelona.

John McDonnell: I fully agree, which is why we should ask UEFA to take the issue up. Actually, Hayes has just bought a Latvian player, but never mind.

The final issue that I want to raise relates to the various reports about corruption. Where money is available on such a scale, corruption will eventually come on the scene. There have been various reports about the level of betting fixing in youth football, and I would welcome news from the Minister about what has happened on that. A review was undertaken, and proposals were made for an integrity unit—it could be part of the Gambling Commission if we could make the commission more proactive. Again, I would welcome information on how far we have got with those proposals to staunch the possibility of corruption breaking out more widely in the sport.

I agree with everyone else that football is too important to be left to the market and to the greed of speculators and others. Returning football to the supporters, combined with a limited amount of regulation, will sustain football in this country in the long term. You never know, we may well win the World cup again.

Several hon. Members *rose—*

Sir Nicholas Winterton (in the Chair): Order. I make a plea. There are three Members who want to speak. We can go on for another 15 minutes before I ask the Front Benchers to start. It is a question of self-discipline; if one Member speaks for a long time, he will cut another Member out.

3.16 pm

Mr. Richard Caborn (Sheffield, Central) (Lab): I spent a happy and productive afternoon at Macclesfield football club when I opened its centre for technology and development, which is still being used. I also represent Sheffield, which has the oldest football club in the world, so I have something of a vested interest in this issue.

On political intervention, I disagree with my hon. Friend the Member for Manchester, Central (Tony Lloyd), which I rarely do. In 2005, when I was Minister for Sport, this country had the presidency of the European Council. We held a meeting in Liverpool with members of the European Commission, Members of the European Parliament and Ministers for Sport from all member states to look at the state of football and how we could address something called the Nice protocol. Heads of Governments had said that sport was different from business and the commercial world, and that it had a specific value, and the question was how to translate that into practice, because there was no legal base in the European Union to help us do so. However, with the support of UEFA, we set up an independent European sports review, which produced the Arnaut report. That resulted in a European white paper and a number of moves from UEFA that I will describe a little later.

There was real concern about how we would tackle sport in the European Union, and that was particularly true of football because its regulations were being settled in the European courts and the Bosman and Charlefoi rulings were having a profound effect on how football was being governed. We had to determine whether football was a business, because if it was not, the question was how it would be governed.

Interestingly, there was some political intervention, because Ministers for Sport were looking at the good governance of sport. Rugby league and cricket modernised their governance. Cycling, which was bankrupt, also did so, and its progress has been fantastic from then on in. A whole series of governing bodies looked at themselves and asked, "Are we fit for purpose as we move into the 21st century?"

The FA set up the Burns report and a structural review. Had the report been implemented—Terry Burns said that it was the absolute minimum that the FA would have to undertake to become a fit-for-purpose governing body—we would probably not be facing some of the problems before us. If I make one plea to the Government and sport in general, it is that football should modernise its governance, otherwise we will deal with the symptoms but not the cause, which is the problem that football does not have good governance and good regulation because it has not implemented the Burns report or something like it. Such modernisation will be fundamental if football is to be governed in the way in which many people want.

Mr. Hancock: The right hon. Gentleman was intimately involved in the production of many of these reports. What aspects of the Burns report frightened the administrators in football and prevented them from making the changes?

Mr. Caborn: Those people did not want to relinquish the power of football to independence. They wanted a board in relation to which there would be the professional

[Mr. Caborn]

game, the national game and good quality independence that could take an objective view and break the stalemate. That is effectively what we have got—the professional game on one side and the amateur game on the other. We have got the status quo, but that is not good enough. If hon. Members look at the Burns report—I do not have time to deal with it now—they will find that it is a very interesting read. They need to look at what Burns said and where we are now.

On the Arnaut report, I met all the chief executives of the premier league in 2006 and told them that there were excesses. I paid tribute to the premier league and told them that it was the most successful league in the world—it is, by any standards, the best in every conceivable way—but I also said that there were structural weaknesses and excesses. I told the chief executives that they must start to address those excesses in the light of good regulation, and that if they did not actually get into Europe and start influencing the way in which sport and football were regulated, there would be problems down the road. There were problems down the road and the chickens are coming home to roost. If the chief executives had taken action at that time, we would not be in the state we are now.

UEFA was also affected by Arnaut. I will talk briefly about the club licensing system and financial fair play, which will be implemented in Europe in the next two to three years. The six points in the specific objectives for the club licensing system are

"Introduce more discipline and rationality in the club football finances; encourage clubs to compete with their revenues; decrease pressure on player's salaries and transfer fees and limit inflationary effect; ensure clubs settle their liabilities on a timely basis; encourage clubs' long term investments (infrastructure, youth); protect long-term viability and sustainability of European club football."

The proposed measures are the break-even rule, which relates to the financial fair play concept, as well as the

"enhanced overdue payable rule; cash flow analysis; guidance on salaries and transfer spending; guidance on level of debts; limit the number of professional players."

Those measures will have to be implemented by clubs, and if they are not, those clubs cannot play in the European competitions.

I pay tribute to what UEFA has done at a European level. It is acting with more certainty now because, in the Lisbon treaty, sport has for the first time got a legal base. We can therefore, with some justification, go to the Commission and the Council and say that we want the matter to be considered much more effectively. UEFA has found a level of certainty in Europe. FIFA is applying the "six plus five" rule, so I believe that regulation, both internationally and at a European level, is finding its feet and being implemented. Finally, if the FA follows through and implements the Burns report, we will have the type of regulation that we need in this country. We have got such regulation through Europe, and we will get it again through FIFA.

3.23 pm

Mr. Andrew Pelling (Croydon, Central) (Ind): It is a great pleasure to serve under your chairmanship again, Sir Nicholas. It is most apposite that the debate is a 90-minute game, but it is unfortunate that you do not have the discretion to add a few extra minutes, as would happen in an actual football match. It is also most apposite that the debate is being held now, given the problems facing Crystal Palace football club. In the four minutes that I have, I will discuss why that is an important concern.

I am running a petition with the right hon. Member for Croydon, North (Malcolm Wicks) on two issues relating to Crystal Palace. One issue is the 10-point deduction, which was introduced to stop clubs obtaining a competitive advantage by seeking protection from their creditors. That does not apply in Crystal Palace's case, because it has been subject to an involuntary administration that has been imposed due to the actions of a hedge fund that owns Selhurst Park. Unfortunately, the history of Crystal Palace is such that Selhurst Park is held by another company that is also administration, which is partly owned by a hedge fund that does not necessarily have any sentimentality towards the club.

One must have a lot of sympathy with Simon Jordan, the chairman, who sunk £35 million into the club—he is obviously the club's biggest creditor—at a time when play off prospects were sound and the amount of income that could be secured was hugely different. The prospect of the extra income from being in the premiership, compared with being in the championship, has had a distortive affect. It is unfair on players, club staff and the club itself—the fans—that the 10-point deduction is in place, so that is one of the issues raised by the petition that the right hon. Member for Croydon, North and I are running, which will be coming to Parliament.

Lloyds Banking Group is the main lead banker both to the club and the owners of the ground, who are in administration. We are concerned that, within the restrictions of Financial Service Authority rules, the Lloyds Banking Group should try to work to bring the two parts of the club back together. The fact that the group has been acting in a very positive way is encouraging. It has essentially worked to avoid the move into administration, and it has recognised that

"Crystal Palace occupies a special place in the affections of many in South London and if we can play our part in funding a sensible, commercial solution that enables Crystal Palace to have a sound future, then we would be both happy and proud to do so."

That shows that Lloyds Banking Group has a very positive attitude, which is appropriate for a bank that is almost majority-owned by the taxpayer. I hope that supporters and the people involved with the ambassadors club and the fanzines of www.holmesdale.net can perhaps come and see the Minister to talk through some of the issues. I appreciate that he has only a limited amount of leverage, but I would be most grateful if that were possible.

I want to allow the hon. Member for City of York (Hugh Bayley) to contribute, so I shall be brief. I am wearing my Croydon football club tie, and we must not forget those who are in the lower leagues. There are 60 people who watch the matches of my local team and many of us have been disappointed that the local council has not been able to be supportive of the club. Tram construction meant that the practice ground was dumped on five years ago and it has not been possible to use it. Great promises of support were made by the council, but that has not really happened. Dickson Gill, the chairman, does excellent work to keep the club going, and we have great hope about what will happen. Although

great promises are made by the council, as I said, nothing gets delivered. To return to Crystal Palace, there is tremendous support for the petition from 500 people who are very upset about how the club has been treated.

3.27 pm

Hugh Bayley (City of York) (Lab): I am grateful to you, Sir Nicholas, and to colleagues for leaving some time for me to say a few words. I want to speak up for small clubs. My hon. Friend the Member for Manchester, Central (Tony Lloyd) said that Manchester United's turnover in a year is some £280 million, which is enough money to keep York City going for 100 or 200 years. It will probably take us that time to repeat the success of 1995, when York City beat Manchester United 3-0 at Old Trafford, which he was generous enough to acknowledge. That illustrates what has happened to football in the past 10 years. Like the high street, it has split between small businesses at one end and huge multi-million pound enterprises at the other. The Government's policy and the policies of sports' bodies need to show that things have changed.

Some interest has been expressed during the debate in the supporters' trust model, which was how York City football club was saved some 10 years ago. I pay tribute to the help that the club got from the Department and from my right hon. Friend the Member for Sheffield, Central (Mr. Caborn). There was a disastrous period when one chairman of the club split the club from the ground, so that if it went under, he would have a property development opportunity. The club was then taken over by John Batchelor. He was a motor racing entrepreneur who ran the club for a season and managed to attract sponsorship of £400,000, which matters to a small club such as York, but when it went into administration at the end of his period, the £400,000 was nowhere to be seen. It disappeared into some motor racing enterprise he had. The supporters' trust rescued the club, and four years later, in 2006, they sold a majority of the club to one of their members, Jason McGill, the current chairman, whose family business had put enough money into the club to rescue it.

If the smaller clubs are to survive, nurture new talent at the grass roots and make an input to their communities—York City FC has been expanding its community programme over the past two years, providing healthy support and training to around 10,000 children and young people in York—the Government must ensure that supporters have a greater say within clubs, as I have said. The Government must look at the business structure of clubs. Perhaps we should follow a mutual model, more like those of building societies, or a co-operative model, rather than a plc model. If we look at how building societies operate, in comparison with the plc banks, we can see the advantages. Although I understand the reservations of someone who represents a large club that generates much income, we need to look at how revenues from television and other sources for this great game are shared to ensure that small clubs remain beautiful so that the whole game can remain beautiful.

Sir Nicholas Winterton (in the Chair): I thank the hon. Gentleman for his brevity, following my request.

3.31 pm

Mr. Mike Hancock (Portsmouth, South) (LD): I congratulate the hon. Member for Manchester, Central (Tony Lloyd) on securing the debate, and all Members who have spoken on the support football has received. If the debate were taking place in the Chamber and could last a whole day, it would be full of Members equally committed to both the national sport and their local village, town or city team.

I have followed Portsmouth FC through the divisions when they were close to winning a third championship in the old first division, down to the fourth, all the way back and then into the premiership. The one common factor over those 50-odd years has been the loyalty of the fans. The one thing that has never been taken seriously in football anywhere is the role played by fans and the credibility they give the game. They have undying loyalty and the tribalism of supporting a club through thick and thin, standing on uncovered terraces in pouring rain in the middle of winter to support a team because they want to.

I remember when international footballers used to live down the same street and one would meet them going to the corner shop, and the next week they would be playing for England or Ireland, and Scotland in one case, and it was a pleasure to meet them. Now footballers live in a rarefied atmosphere and it is difficult to see them even on a team bus, let alone out in the street.

Mr. Pelling: Obviously, we should not be jealous of the money that comes with the skills, but is not another effect of big money in the premiership that it undermines our national teams because we have fewer players playing in top-ranking football?

Mr. Hancock: That point is as valid as those that have already been made about football administration. Some players have lost touch with the reality that gives football its strength—the fans. My own club is a classic example.

Mr. Mark Field: Much as I share the hon. Gentleman's passion—I, too, am a long-standing supported of the game—I think that he might be seeing things through rose-tinted glasses. In the mid-1980s, football was at its lowest ebb, well before premiership money arrived, when hooliganism was rife and attendance was at an all-time low. Attendance has increased considerably since then, even though players are paid a lot more. I am not saying that there is not something in what he says, but we must be careful not to allow nostalgia to overtake what is otherwise a reasonable argument.

Mr. Hancock: I do not doubt that football had problems, and Portsmouth had a notoriously bad record for away support troubles, which I would not disguise or deny or do anything other than apologise for, but the loyalty of the fans was always there. They have been, in many instances, totally disrespected by the situations that have arisen.

Portsmouth FC, to catalogue what has happened to it, has had four owners in the past six months. Owner three did not even know that he had lost ownership of the club to owner four, and we did not even know who owner four was. Owner three is now suing owner four to try to get the club back. In the High Court today we heard that we do not owe £7.5 million to Her Majesty's

[Mr. Hancock]

Revenue and Customs, but in fact owe £11.5 million. We have been lucky enough to secure a seven-day or nine-day reprieve before having to go back to the High Court. To explain why, I will quote directly from the evidence given in court by the barrister representing the club:

"Two offers have been received from serious purchasers to buy the club to pay off the debt."

One of them happens to be the Saudi ambassador to the United Kingdom and Ireland, and the other is a consortium, described as Irish-American, that is moving rapidly to try to buy out the present owner, who is facing legal challenge on whether he actually owns the club.

Where is the club going? What is happening to it? It is more than 100 years old and one of its founding members, the writer Conan Doyle, played in goal for the team. A famous bunch of footballers have played for Pompey over the decades, and one or two notorious players, too—their skill in the sliding tackle brought them notoriety—so we owe something to that team. Two years ago, a quarter of a million people lined the streets of Portsmouth to welcome back the successful FA cup winners, but virtually all that team have been sold. At one stage, 18 months ago, five of the England squad were Portsmouth players, but now we have only David James left. The likes of Crouch, Defoe, Johnson, Kranjcar, Diarra and others have all been sold, and the fans have not seen the benefits of that. There has been no return for the fans.

We have an owner, Mr. Gaydamak, who sold the club and is now virtually holding it to ransom, because he sold the stadium and the club. He did not sell all the land he had acquired around the club to build a new stadium, so he now holds that and is holding the club to ransom by demanding £30 million for it. The club cannot even develop the stadium, as the premiership is asking it to do, because he controls it. He virtually has a stranglehold on Portsmouth FC, and something has got to give.

The one thing we need, as Members have said, is a change in the way we regulate football. I do not know how easy it is to bring in new regulation, but if the Burns report's proposals, to which the right hon. Member for Sheffield, Central (Mr. Caborn) referred, had been implemented, perhaps we would not be in the position we are in today. Portsmouth is the one domino on the slide at present, but if it goes, others will follow and the domino effect will be unstoppable, particularly in the premiership, because the consequences of one club going under will be horrendous for the others. They are all being looked at by their creditors, and people who are prepared to give the benefit of the doubt will no longer be prepared to do so. We need some action, and it is the responsibility of the Government because, whether we like it or not, football is more important than just a business, and that has been the trouble. Many of the people who owned Portsmouth FC, I genuinely believe, had no interest in football whatever. Many of them, far from being keen, saw it as a good way to make money out of property. That is why I have great admiration for Sullivan and Gold going to West Ham, because at least they are committed football fans. They might be led by their hearts rather than their heads, which could be a problem.

Mr. Pelling: Does not that show the importance of the premiership seeing it as a corporate product? One can makes fun of the league system, but after all, Liverpool lost to Portsmouth, but Manchester United won five-nil, as I recall, so it can potentially change the result of who qualifies for the top four in European championship positions.

Mr. Hancock: One of the reasons for the debate's being fortuitous is that we should be looking to the premiership to put together some safety net for clubs in that position. The premiership cannot deny that it has some responsibility for what has happened, and I believe that it owes it to clubs such as Portsmouth—and more importantly, the people who pay week after week to watch the matches, whether on a big screen or live in a stadium—to show them some loyalty, perhaps by bailing out situations like the one in Portsmouth, just to keep the club in being.

As the Sky sports commentator said,

"the difference between administration and liquidation is the difference between intensive care and burial."

Liquidation would mean the immediate end to Portsmouth's season and the club, but administration might give it just enough time in intensive care to make a case to stay in existence. The premiership owes that to teams like Portsmouth, and it owes it to football to do something to protect the interests of the fans, which it has neglected since it has been involved.

3.40 pm

Hugh Robertson (Faversham and Mid-Kent) (Con): I congratulate the hon. Member for Manchester, Central (Tony Lloyd) on securing the debate. Due to time constraints, I shall not go through all hon. Members' contributions in turn, but they showed that he has hit a raw nerve, and the message to the football authorities and the Government is clear.

I have been thinking about this issue for some time. From an Opposition perspective, it comes down to three questions. First, does our party accept that there is a problem? Secondly, if so, what do we think should be done about it, and who is best placed to take that action? Thirdly, following on from that, what is the appropriate role of the Government?

To start at the beginning, is there a problem? The debate has clearly shown that the answer is yes, although opinion is divided about whether that is a natural consequence of the depth and severity of the recession, which was a point that the hon. Gentleman touched on, an inevitable consequence of a high-octane sports industry, or something altogether more serious and structural.

The hon. Gentleman mentioned the situation at Manchester United, and others have mentioned the finances of West Ham and Portsmouth, which have recently been in the news. In the Football League, the travails of Crystal Palace, Stockport County, Watford and Cardiff City, among others, have been well documented, and it is almost certain that we do not know the full extent of troubles elsewhere.

However, in trying to come to a fair and balanced judgment on the matter, which I suppose is in many ways the role of the Government, it is fair to say that there are a few mitigating factors. We are coming out of the longest and deepest recession since the 1930s. In

such circumstances, it would be extraordinary if clubs were not facing real financial difficulties. Secondly, debt on its own is not a particularly useful measure to assess a situation unless it is allied to turnover. Thirdly, conventional measures can be meaningless, particularly for some of the premiership clubs that are owned by an extremely wealthy individual who stands behind it. That was demonstrated recently when the Chelsea owner simply converted the club's debt into equity.

Finally, there is pressure from UEFA, which was mentioned by the former Minister for Sport, the right hon. Member for Sheffield, Central (Mr. Caborn), whom I think I can call my right hon. Friend. I strongly believe that sport is a national competency that should be regulated and governed here in England, but it would be wrong to ignore Europe as a factor. Our clubs are key to UEFA's competitions, and we need its support if we are to bring home the 2018 World cup. Furthermore, its goal of ensuring good financial management of clubs is one with which we would all agree. The issue is whether a one-size-fits-all approach across the many different structures prevalent in European football is the best way forward.

Therefore, given the well-publicised troubles of several clubs and the external pressures on football, it is impossible to conclude that there is not a problem, although it is perhaps not as terminal as has been suggested. Having reached that conclusion and accepted that there is a problem, the second question is what we think should be done about it, and who is best placed to do it.

I absolutely agree with the many hon. Members who said that football is a great deal more than simply a business. It has always been a central tenet of my party's sport policy—and indeed our wider approach to politics—that we should free up individuals and bodies to run and regulate themselves. The bodies in football that are responsible for governance and regulation are the Football League, the premier league and the Football Association, and the question is whether they are able to sort this out themselves.

I entirely agree with my hon. Friend the Member for Cities of London and Westminster (Mr. Field) when he says that the Football League has come a long way. Unsurprisingly, I pay tribute to my friend and former colleague, Lord Mawhinney, for his work in this area.

Among other things, the Football League has produced a 10-point sporting sanction, as Crystal Palace has just found out. It publishes agents' fees, has a workable fit and proper persons test, and has introduced a salary cost management protocol. In governance terms—this point was picked up earlier—it also has at least two independents on its board. Despite the recession, the league's attendance over the past five seasons has topped 60 million, and it is now at its highest level for that league for more than 50 years.

3.45 pm

Sitting suspended for Divisions in the House.

4.12 pm

On resuming—

Sir Nicholas Winterton (in the Chair): I ask the spokesman for the Opposition to continue his winding-up speech.

Hugh Robertson: Thank you, Sir Nicholas—

Mr. Pelling Will the hon. Gentleman give way?

Hugh Robertson: I have barely started, but I give way to the hon. Gentleman.

Mr. Pelling: I want to follow on from what the hon. Gentleman was saying before the Divisions about the 10-point deduction for Crystal Palace. Could there be any exceptional circumstances in which those 10 points would be given back, bearing in mind that the club did not seek administration?

Hugh Robertson: I suppose that the straightforward answer is that there will always be circumstances in which that could be considered, but that is a matter for the relevant authorities, which are much better placed to make that decision than politicians.

Before the break, I set out some improvements to governance and regulation that the Football League has made. By those actions, it has shown that it can be trusted to regulate its own affairs, at least for the moment.

Further up the football tree, the premier league is inevitably the centre of attention, as recent events—indeed, today's events—have shown. However, we should balance the lurid headlines by remembering that it is the best league in the world, as well as the UK's most successful sporting export. More than 13.5 million people—our constituents—attended its games last year, so the balance is that the premier league is a remarkable success story.

After listening to this debate, one might think that the premier league had done nothing in recent years. However, among other things, it has strengthened the fit and proper persons test and introduced new financial criteria, which are a step forward. In my view, on balance, the premier league deserves the chance to sort things out before we resort to direct intervention.

Tony Lloyd: The hon. Gentleman's comments about this matter are of great interest to hon. Members. However, rather like with the banks, there is always a danger in repeating the words, "It'll be all right on the night." I would caution the hon. Gentleman because debt is already embedded in a lot of premier league clubs. Were interest rates to go in a different direction, which is quite possible in the long term, those debts could prove to be unsustainable.

Hugh Robertson: I do not disagree with anything that the hon. Gentleman says in any way, shape or form. I suppose that the issue at the centre of the debate is whether it is time for the Government to intervene and force the hand of football's regulatory authorities by taking over, or whether we should trust those authorities to regulate their own sports. Should the Government apply pressure? The debate has shown the severity of the problem and the strength of feeling about it. Do we point those regulatory authorities in the right direction and give them one more chance to sort the situation out themselves?

Mr. Caborn: The Government have written to the FA about strengthening its governance with the seven-point plan approved by the previous Secretary of State for Culture, Media and Sport, my right hon. Friend the

[Mr. Caborn]

Member for Leigh (Andy Burnham). Would the hon. Gentleman support that type of approach towards the FA? That would involve stronger regulation until it gets its house in order, which would make it stronger and better able to deal with any of the problems within football, whether in the premier league or elsewhere. It is important to get cross-party consensus on that.

Hugh Robertson: Broadly speaking, the answer to that question is that I would support that approach. If the right hon. Gentleman will give me a moment, I will continue with my speech, which I think will give him some comfort, and then if there is a minute left, he can respond, should he wish to.

The final regulatory authority is, of course, the FA, and its board is made up of the constituent parts of the professional game—the Football League, the premier league, which we have already discussed, and the national game. Like other bodies, the FA has recently introduced a number of measures, such as Her Majesty's Revenue and Customs debt reporting, and it uses its own financial advisory unit to provide a financial health check to all clubs below the premier league. Its grassroots programme is extraordinarily successful and will be familiar to all hon. Members. Like many others in the Chamber, I have been impressed by the way in which the FA has conducted itself of late. Therefore, I would like to give its new chief executive, Ian Watmore, the chance to make his mark in this area, albeit along with applying the sort of pressure that the right hon. Member for Sheffield, Central has mentioned.

Therefore, to answer my own question, I believe that the three main football regulatory authorities—the Football League, the premier league and the FA—should at least be given the chance to put their shop in order, and I urge them to make that a top priority for the coming year. They will be aware of the key areas that need attention such as the fit and proper persons test, the question of debt that is allied to turnover and, crucially, financial transparency, which was a point raised by many hon. Members. That is a challenge that they must not duck.

That brings me, finally, to the role of the Government.

Tony Lloyd *rose—*

Sir Nicholas Winterton (in the Chair): Order. I cannot stop an intervention, but we must give the Minister time to reply to the debate. The Opposition spokesman's time is virtually up.

Tony Lloyd: Briefly, will the hon. Gentleman say something about the role of the supporter?

Hugh Robertson: Time is ticking away, and I was going to say that it would be a positive and, in my view, overdue development if football started by sorting out its own corporate governance, and particularly the lack of independent directors—and, many would say, female directors—on many of its boards.

I am heading into the last minute, so I will conclude by saying four things. This has been an interesting and timely debate, so I congratulate the hon. Member for Manchester, Central on securing it. Secondly, as the contributions have shown, this is a serious issue that clearly needs addressing. Thirdly, I encourage in the strongest possible terms footballing bodies to come together and work out a proper solution as a matter of urgency. My final point is that if they do so, we will back them, but if they do not, Government intervention remains an option.

4.19 pm

The Parliamentary Under-Secretary of State for Culture, Media and Sport (Mr. Siôn Simon): It is a great pleasure to serve under your chairmanship, Sir Nicholas, as I last did at great length on the 2008 Finance Bill Committee. On behalf of the Government, may I take the opportunity officially to congratulate and commend Macclesfield Town for its great works and successes, whatever they may have been?

I also congratulate my hon. Friend the Member for Manchester, Central (Tony Lloyd) on securing the debate and on setting the tone for what has been an erudite and informed discussion involving hon. Members on both sides of the Chamber who have been following the issue for years and who spoke, as he did, with great passion and lyricism, as well as erudition.

I apologise to you, Sir Nicholas, and to other hon. Members for not being the Minister for Sport—my hon. Friend the Member for Bradford, South (Mr. Sutcliffe) who is in charge of these matters for the Government would normally have been here. He is expected to take some important business in the main Chamber; otherwise he would certainly have been here, although I have begun to suspect, as his name and business have not yet appeared on the screens, that on my last afternoon in government, I may be the victim of an elaborate practical joke.

These are important matters and these are challenging times for football. As all hon. Members have said, this is a timely debate, with three clubs at different levels of the game in different courts in the land. It is fair to say that the game has come a long way since the 1970s and '80s, which saw stadiums in decay, violence on the terraces and our clubs banned from European competition. With Government's help, football has worked hard to ensure that we have growing grass-roots participation, new facilities at all levels, world-class stadiums, two of the most popular and best leagues in the world, success for our top teams in Europe and an improving national side that looks as though it might be ready to do better. Those positive changes have happened in great part because, although the clubs, leagues and associations may be imperfect—many of their imperfections have been noted this afternoon—they and the Government have worked hard together.

Hugh Bayley: The future of the city of York's football club depends on its being able to build a new financially viable, sustainable stadium. Will my hon. Friend the Minister speak to my hon. Friend the Minister for Sport and ask whether he will write to me after the debate to let me know what recent discussions Sport England, the Football Foundation and other bodies have had with the club and City of York council to take that project forward?

Mr. Simon: I will be delighted to do that. My hon. Friend is very concerned about doing everything that he can to help people and supporters in York to protect the future of their club.

Mr. Pelling: Let me put a question to the Minister to prepare him for answering questions when he is mayor of Birmingham. Does he really think that it was appropriate that John Terry was sacked as captain of England?

Mr. Simon: As the hon. Gentleman mentions Birmingham, I can say on behalf of two soldier friends of mine that I am short of two tickets for the league cup final. As I am here, I thought that I might as well mention that.

The positive changes in the game have been a result of the work done by everyone concerned with the game, including the supporters, as has been said. However, that is not to say that football is immune to the problems that we all face in these difficult economic times. Although Deloitte's well respected financial report tells us that the income into our top league remains healthy due to increased broadcasting, sponsorship and overseas rights revenues, the debt sometimes looks almost unsustainable, as many hon. Members have noted at length this afternoon. Clearly, one lesson of the global financial crisis is that models of business that look sustainable and solid at one moment can turn out to be precarious the next.

Of course we understand why fans are becoming increasingly concerned about the debt accumulated by some clubs. As hon. Members have said, clubs are valuable community assets and every care should be taken to protect their long-term financial future for the sake of not just the investors, but the supporters, future generations of supporters and the communities in which the clubs sit. The game today makes money because of the fierce, passionate loyalty of fans and the history of civic pride and local allegiance forged over decades and, indeed, centuries. Football, professional though it is now, has its roots deep in the community. It is an expression of personal, local—the word "tribal" has been used—and family identity. It is sport that has become big business, not vice versa. No one in the Government is in any doubt about that. That is why we are keen that supporters should have a bigger role in the financial accountability and governance of their clubs.

There are many examples of supporters' trusts proving their value in recent years. They have prevented some 37 clubs from going out of business. They have proven their worth, and more should be done to acknowledge their significant contribution to the game. We are pleased that the football authorities have financially supported that work in the past. Hon. Members may recall that my Department was among those responsible for setting up Supporters Direct—an organisation that has been very successful over the past few years in encouraging supporters to take a greater share of ownership in their own clubs.

Sir Nicholas Winterton (in the Chair): Order. May I say to the Minister—I want to be helpful—that he has only two minutes left? I am sorry about that, but these debates are timed and hon. Members have contributed to that problem. I would just like him to know that he has two minutes.

Mr. Simon: I am grateful, Sir Nicholas. Would that I had longer. My speech, unfortunately, would take considerably longer than that to deliver, and I am resigned to the fact that I will not be able to put on the record all the points that I would like to make this afternoon.

Of course, it is not for the Government, ultimately, to run football or to tell the businesses that make up the football community how they should go about regulating their affairs. It is for the clubs themselves to ensure that they manage their finances well, and for the football authorities, as their governing bodies, to run the game. However, the Government have a legitimate role to play—that of a critical friend of the game. Given our long-term strategic investment in safety and security, our promotion of grass-roots participation, our role in the bidding process for major championship events and our relationship with the European Union on sport issues, such as protecting TV deals from regulation, it is right that we take a view and help to frame the debate and to reflect the views and interests of supporters in particular.

We therefore have a legitimate expectation that those in the football world, including the associations, leagues and clubs, have the most effective governance and accountability arrangements in place and that they are working together for the long-term good of the game. That is why as far back as October 2008, the former Secretary of State for Culture, Media and Sport, my right hon. Friend the Member for Leigh (Andy Burnham) asked the football authorities in England to respond to seven key questions concerning football finance, fit and proper persons for owning clubs, the competitive balance within the game and the strength of the national side. Last September, the Minister for Sport—the real Minister for Sport—wrote to them again, following their responses to the challenges that we set down. In his letter—

Sir Nicholas Winterton (in the Chair): Order. We have run out of time. I have allowed a little leeway. I apologise to hon. Members, but I have to carry out the rules relating to debate here. I am particularly sorry that the Minister was not able to complete what he wanted to say. We now move on to the next debate.

Non-resident Parents

4.28 pm

Janet Anderson (Rossendale and Darwen) (Lab): It is, as always, a pleasure to serve under your chairmanship, Sir Nicholas. I am grateful for the opportunity to debate this issue on behalf of a constituent of mine and I thank my hon. Friend the Minister for giving of her time to respond to the debate. My constituent does not wish to be personally identified in the public record, and I thank the Minister and her office for respecting that wish while at the same time looking into his case at my request.

The Child Support Agency website states on its home page:

"We make sure parents who live apart from their children contribute financially to their upkeep by paying child maintenance."

I can assure hon. Members that my constituent would be the first to applaud that aim. He has two children by his former partner. He is the non-resident parent, but has always paid his child maintenance; he has never missed a payment since 2001.

My constituent is on what I might describe as CSA 1, which means that his child maintenance contribution is assessed under the original scheme, under the old system—for cases that commenced between 1993 and 2003. Following his retirement, his income reduced, so his payments reduced, but he was still assessed under the old system. His current payments, after essential outgoings, leave him with approximately £49 a month. He has given me a list of his monthly outgoings, which include various modest amounts that he allows himself, such as £3.22 a day for food or £3.22 a day for petrol—in my constituency, getting around without a car is difficult. His outgoings are modest, but nevertheless he is left merely with £49 a month.

If my constituent were assessed under the new system—for cases post-March 2003—his contribution would be substantially less, because he would be required to pay 20 per cent. of his net weekly income, which is income after tax and national insurance deductions. Under the new system, non-resident parents have to pay: for one child, 15 per cent. of net income; for two children, 20 per cent. of net income, and for three children, 25 per cent. of net income.

The Child Support Agency website helpfully contains information on moving between old and current schemes. The website claims that the justification for the new, current scheme is that it is simpler to manage, easier to understand and better suited to parents' needs. The website does not explain something that is also not mentioned by the calculator available for working out likely child maintenance: for someone on the old scheme, the calculation is significantly different and can be up to 30 per cent. of net income.

Under the old, original scheme, different criteria were applied. Part of the justification for the new scheme, as stated in the website, was:

"We no longer take into account or need to know the income of the parent with care...We no longer take account of the cost of either parent's housing, council tax, etc."

Yes, that may be simpler, but it is of small consolation to my constituent, because his contribution is still being assessed under the old system. For example, we learn that his former partner's housing costs are taken into account. She claims more than £23,000 per annum in housing costs—£442 per week—which is rather a lot for someone with a net income, I am told, of around £26,500 a year. Yet the CSA has simply accepted the figure by virtue of a letter from the resident parent, with no further documentation to confirm its accuracy.

As my constituent says:

"It is an insult to all honest payers like myself, who has never missed a payment since 2001, when a...parent with care can use tactics like this".

That refers to his former partner's offsetting her income with high housing costs to ensure that her income is exempt from the maintenance calculation. My constituent also states that his former partner's new partner is a "high earner", making a mockery of the scheme. CSA 1 needs to be abandoned now, so that everyone can pay a fair amount without deductions for housing costs and so on, which do not form any part of the calculation under the second system or current scheme—CSA 2—which is based on a percentage of the net income of the non-resident parent only.

I do not wish to get anyone at the CSA in Birkenhead into trouble—they are extremely helpful to me and my constituency office in the many cases with which they deal. They all do sterling work in difficult circumstances, but my constituent claims to have been told by a member of staff there that the two-tier system of CSA 1 and CSA 2—that is, the old and the current systems—is totally unfair and that rectification is long overdue. As my constituent points out, the move to CSA 2 for everyone would stop people making questionable—to say the least—claims for housing costs.

The problem is that the CSA will move a child maintenance case to the current scheme only when it becomes linked to a new child maintenance application, made on or after 3 March 2003, meaning that many non-resident parents, such as my constituent, who are being assessed on the old scheme, are paying more than non-resident parents in identical circumstances who are being assessed on the current scheme. That cannot be fair and I do not believe it was the intention when the new system was introduced. My constituent has been told that he cannot be moved to the current system because—as he claims of the message given to him—the computers will not cope. The only alternative is for the parent with care to withdraw her claim and reapply under CSA 2, which I understand in the circumstances is extremely unlikely.

An organisation called Child Support Solutions, which specialises in advising parents on CSA issues, claims to have cases that were started on the old system but which are being moved to the new or current system. It describes that as conversion. If so, why can my constituent not be thus converted? Or must he, as he fears, continue to meet his obligations to his children as dictated by the CSA under a now much derided system? That system leaves him with only £49 per month in his pocket until his children are past the age when maintenance applies, which in his case will be another eight years.

I hope the Minister will answer that question. I hope she will also tell us her plans to resolve the overall problem. I am told that there is now a third system—CSA 3. Could the Minister, in her response, explain how that works and whether my constituent will benefit? Why

has it not been possible to move everyone from CSA 1 to CSA 2, and what is the justification for now introducing a third scheme?

In conclusion, as I said at the beginning, my constituent loves his children. He is only sorry that he no longer sees them as often as he would wish, but he has never sought to evade or avoid his obligations to pay maintenance. He and I, as his Member of Parliament, are simply questioning the operation of the various systems as they stand at the moment, and asking—indeed pleading—that something be done to make them fairer.

4.37 pm

The Parliamentary Under-Secretary of State for Work and Pensions (Helen Goodman): It is a pleasure to serve under your chairmanship, Sir Nicholas, and to recall that the last time I served under you was also in a Finance Bill Committee, although that was the 2007 Finance Bill.

I begin by congratulating my hon. Friend the Member for Rossendale and Darwen (Janet Anderson) on securing the debate. Child support is an important issue for many hon. Members—indeed, I have a strong personal conviction about getting the policy absolutely right. I very much welcome the opportunity to dispel some of the misunderstandings surrounding the child support issue, for which I thank my hon. Friend. I also thank her for raising the concerns of her individual constituent.

It is quite right that, from 2011 to 2014, three schemes will operate within child support: the old scheme, the current scheme and the future scheme. That period will represent a transition as we move from the cumbersome, inefficient older and current schemes towards our streamlined, simplified scheme for the future. Until the transition is complete, child support arrangements for some parents will be governed by the current scheme, while those for others will be governed by the older scheme.

Sir David Henshaw's 2006 report on the issue called for a clean break from the past. One of the report's conclusions was that the existing plans to convert cases from the old scheme to the current scheme would have been prohibitively challenging to administer. Past experience did not make a good case for such an approach, as I am sure that my hon. Friend knows better than me. The bulk transfer of cases between the old and current schemes would not have been possible because the kind of resources needed to facilitate such a transfer would mean diverting funds from where they were most needed—in other words, from supporting the ongoing improvements to the Child Support Agency.

Following the publication of that report, the Government decided to seek an alternative to the bulk transferring of cases and set out their proposals to reform the system in a White Paper. Those proposals were set down in statute in the Child Maintenance and Other Payments Act 2008, which provided for the Child Maintenance and Enforcement Commission to deliver the new child maintenance system and deliver that clean break.

My hon. Friend suggested that the decision not to transfer all existing old-scheme cases to the current scheme was unfair. Not transferring cases from the old to the current statutory maintenance scheme has inevitably had the result that some non-resident parents might be paying more under the old scheme than the current one. By the same token, other non-resident parents might be paying less. For every parent who believes that they could gain by moving their case to the current scheme, there is obviously another parent who might lose out. Clearly, to transfer a case to the current scheme on the basis of parental preference would be not only impractical but unfair.

Janet Anderson: Will the Minister tell us whether her Department has made an assessment of how many non-resident parents would be better off under the current system—that is, how many would be in the same position as my constituent?

Helen Goodman: I do not hold that information at the forefront of my mind, but if I am inspired before the end of the debate, I shall tell my hon. Friend, or otherwise write to her.

It must be stressed that, under the old scheme, the assessment formula was designed to reflect the ability of both parents to contribute to the maintenance of their children. If parents with care had sufficient income, they would be assessed on the same basis as non-resident parents. That could have the effect of reducing the amount of maintenance that non-resident parents were required to pay. I assure my hon. Friend that once Parliament has approved the necessary transition regulations and the future scheme is live and operational—we hope that that will be next year—we will begin to move the old and current cases, which will take three years.

It is essential that we devote our resources to the success of the future scheme. The current child maintenance system did not deliver what was expected of it. It was characterised by complexity, inefficiency and a wide lack of understanding. The new system will be simpler, and it will be supported by a fully functioning IT solution. That will enable us to overcome the systemic barriers that hindered past delivery. The future scheme will be faster, more accurate, and more transparent, thanks to a simplified maintenance assessment.

We are working in partnership with Her Majesty's Revenue and Customs to build an IT system that will allow us to share information. That will allow us to trace non-resident parents and calculate maintenance payments based on their gross income. The gross income data cover a person's income before tax is taken or tax credits are added. We believe that that data will provide a better measure of a person's ability to pay. Working in partnership with HMRC, we will be able to avoid delays. That will enable us to put effective child maintenance arrangements in place more quickly.

The future scheme will enable us to build on the continued success and improvement that the CSA has seen over the last few years. However, it might interest my hon. Friend to know that in her constituency, by the end of December 2009, we saw an increase of 26 per cent. in the number of children benefiting from maintenance collected or arranged by the CSA since March 2005. The latest figures show that more than 800,000 children are now benefiting from child maintenance. In the years since 2005, we have seen a 12 per cent. rise in the number of parents meeting their maintenance liabilities, which puts the current figure for compliance at nearly 75 per cent.

Through CMEC, the Government have implemented a number of initiatives in the child support system. We have launched "Child Maintenance Options", which is

[Helen Goodman]

a free service that provides information and support to all parents on how to make child maintenance arrangements that best suit their needs. It is also open to friends and family so that other members of the family can seek advice on behalf of their relatives. We are embarking on a wider programme to change attitudes to child maintenance so that everyone understands that it is socially and morally unacceptable not to pay. In a few weeks, the Government will be introducing a full disregard so that parents with care who are claiming benefits can, for the first time, keep all their maintenance and benefits.

It is estimated that these measures, coupled with others made in October 2008, will lift about 100,000 more children out of poverty than would otherwise have been the case. The improvements and strategies laid out in the future scheme will empower us to do even more for children and give the best possible service to our customers.

Before I finish, I shall address a couple of the questions that my hon. Friend raised about her constituent's case. Officials are still looking into whether appropriate documentation was provided by the parent with care with respect to costs, and I shall write to my hon. Friend about that.

My hon. Friend also asked why, in this instance, it was not possible to transfer when transfers can be made in some instances. Broadly speaking, transfers can be made in two situations. The first is when both parents agree that that should be done. As my hon. Friend said, that is unlikely to be so in this case. The second is if a significant change in circumstances has occurred. That does not mean that one person's income has gone up or down; it could be that one parent has been re-partnered and new children have come into the equation. In the event of such a significant change, all the children would be assessed on the current scheme, because the calculations would interrelate between two or even three families, and then changes would be made.

My hon. Friend asked how many non-resident parents would be better off under the current scheme compared with the old scheme. I am sorry to have to tell her that CMEC officials say that they cannot make an estimate without going through all the cases. Although the information would be interesting, they believe that the cost of doing so would be disproportionate.

I thank my hon. Friend for raising this important matter. Although I realise that her constituent will probably not be satisfied by my answer in respect of his situation, I hope that I have explained why we took the course of action that we did.

Terrorism and Islamist Militancy

4.50 pm

Mr. George Howarth (Knowsley, North and Sefton, East) (Lab): May I say what a pleasure it is to take part in a debate presided over by you, Sir Nicholas? I am sure that you will be as fair as ever and, as you have demonstrated, dextrous in the way in which you conduct proceedings.

Although I am a member of the Intelligence and Security Committee, everything that I am about to say is drawn from open sources. I am an Anglican, but my particular interpretation of Christianity is personal rather than doctrinaire. As a politician, I have always believed in a clear distinction between matters of faith and that which is secular, although I recognise that many people's political views are informed by their religious beliefs. My purpose in initiating this debate is twofold. First, I want to stress the common ground that undoubtedly exists between faiths of the Abrahamic tradition. Secondly, I want to highlight how those who follow Islamism should not be confused with mainstream Muslims, who, although devout in their beliefs, stand opposed to terrorist activity.

The Prophet Mohammed himself said:

"O People of the Book! Let us rally to a common formula to be binding on both us and you: That we worship none but God; that we associate no partners with Him; that we erect not, from among ourselves, Lords and patrons other than God."

That is taken from Surah al-Imran, verse 64. A useful contemporary and authoritative source, Dr. Ali Gomaa, the Grand Mufti of Egypt, wrote in *The Washington Post:*

"The principles of freedom and human dignity for which liberal democracy stands are themselves part of the foundation for the Islamic worldview; it is the achievement of this freedom and dignity within a religious context that Islamic law strives for".

In a joint statement on behalf of the C-I World Dialogue Foundation last year, following the tragic events in Gojra, Pakistan, Dr. Gomaa and the Bishop of London, Richard Chartres, emphasised mutual understanding and religious tolerance. As they put it:

"We call upon all pastors and imams in every mosque and church to speak out against these deeds and to spread the true message of cooperation, harmony and peace."

That common understanding is shared across the Abrahamic traditions.

On meeting the former President of Iran, Seyed Mohammad Khatami, in 2006, the Archbishop of Canterbury, Dr Rowan Williams said:

"People of faith have much to contribute to the solving of the problems caused by mistrust and misunderstanding."

We remember the deeply symbolic action of Pope John Paul II kissing the Koran back in 2006. It is worth briefly contrasting that coming together of faiths with the theological and political roots of Islamism. There are different views on the connections between the teachings of Mohammed Abdel-Wahab, often known as Wahabisms; Salafism, a more puritanical interpretation of Islam based on the interpretation of the early followers of Islam, and Islamism.

John Esposito in his book "Unholy War: Terror in the Name of Islam" makes the case that the connections between Wahabism and Islamist terrorism are often oversimplified, while a contrary view is given by Stephen

Schwartz in "The Two Faces of Islam: The House of Saud from Tradition to Terror". I am not an Islamic theologian and do not hold a position on the theological arguments here, but I make the observation that many people would identify themselves as Salafists or as followers of Wahab's teachings, yet reject violence and terrorism.

The history of Islamist thought appears to be as much informed by revolutionary political thinking and advocates of violent struggle as it is by religious study. Sayyid Qutb, one of the founders of Islamism, rejected the free mixing of the sexes and individual freedoms, and in his later publications, which he wrote when he was incarcerated for the failed assassination attempt of President Nasser, advocated an armed vanguard movement that would engage in a "liberation struggle". His radically anti-secular and anti-western interpretation of Islam owes as much to revolutionary politics as it does to theology.

There is a direct lineage from Qutb's writings—through a fusion of Islamism and radical Wahabism—through to al-Qaeda as we know it in recent times, which is mediated by many including, most recently, Ayman al-Zawahiri and Osama Bin Laden. The reality is that al-Qaeda's Islamist theology imagines an idealised future rather than a golden past. It is as much a revolutionary political position as a theology and becomes appealing to some, because it provides a totemic symbol that opposes all that is perceived to be wrong in both western and existing mainstream Islamic society.

Much of what I have said so far rests on the beliefs and words of leading figures in their respective faiths. They are an integral part of the call for better understanding and unity between faiths. Most importantly, that needs to translate into the conduct of everyday life. Britain has a long tradition in that regard, which goes back long before the rise of Islamism. Born in 1851, Liverpool solicitor William Henry Quilliam travelled throughout Algeria and Morocco, and converted to Islam. After returning to Liverpool as Sheikh Abdullah Quilliam, he founded Britain's first mosque in 1889. His work helping the poor was widely recognised, though it is fair to say that local people did not all welcome the introduction of this new religion.

Times have moved on, and work to bridge understanding across religions goes on. Tony Blair's Faith Foundation, which is dedicated to achieving understanding, action and reconciliation between the different faiths for the common good, is making progress in schools across the world, at universities, and with the public. We should acknowledge that the Government have led and encouraged initiatives as part of the Prevent strategy to stop people becoming or supporting terrorists and violent extremists. Yet it is, I think, fair to say that many young people in constituencies such as mine have little or no direct experience of the Muslim faith, other than what they may learn at school. Similarly, in places such as Blackburn—or at least in some parts of that town—it is possible for some young Muslims to grow up with little or no contact with people of other faiths or, for that matter, people of no faith.

Tufyal Choudhury compiled the report "The Role of Muslim Identity Politics in Radicalisation" for the Department for Communities and Local Government. In it, he stated:

"The appeal of radical groups reflects, in part, the failure of traditional religious institutions and organisations to connect with young people and address their questions and concerns."

He is writing about young Muslims, but the same case could be made for other faiths. Marc Sageman's book "Understanding Terror Networks" eloquently articulated the journey of radicalisation that often begins with unassimilated immigrants who come together to find that they share a common sense of alienation in an unwelcoming society.

The experience of so-called "home-grown" terrorists such as the 7/7 bombers can similarly be explained, at least in part, by a simultaneous rejection of the teachings of local Muslim leaders and of wider concepts of Britishness. The resultant loss of identity in turn creates a vacuum, which itself creates a psychological openness to radicalisation.

During the past decade, we have seen a marked increase in the number of Muslim organisations that are willing to speak out and firmly denounce terrorist activities, both through the mainstream media and through community channels. From the global inter-faith dialogue to the Quilliam Foundation, a counter-extremist think-tank, there is a tangible movement towards a more considered and peaceful approach to addressing differences and uniting on common ground.

We now need progress to the next level, and traditional media need to give a voice to these debates. That means moving beyond the observation that Islam means "peace" and that the majority of Muslims are peaceful. Although that is undoubtedly true and should be the basis for a dialogue, it should not be the means to close down discussion, because those who are engaging in violence have already rejected that belief on explicitly theological grounds.

We need to find out from young people who are at risk of radicalisation and from those who have already trodden that path how we can strengthen local and national Muslim communities to provide real and inclusive leadership, which spans generations and allows better integration in mainstream British society. No doubt, that will include uncomfortable discussions about where traditions such as arranged marriages fit; traditions that are neither consistent with "western values" nor, for that matter, with many strains of Islamic thought.

We should also ask how we can improve the integration of first and second-generation immigrants with the wider community. As Trevor Phillips pointed out in 2008, Britain is at risk of "sleepwalking towards segregation", with racially divided ghettos.

We need to learn lessons from other areas of conflict, where peace has eventually prevailed following long periods of entrenched social division and non-engagement between communities. The obvious examples include Northern Ireland, Bosnia and South Africa. A key lesson from all those examples is the recognition by all parties of the validity of separate cultures, combined with a focus on winning peace.

We all need to understand what leads young Muslims to feel that neither their local Muslim community nor wider British society provides them with a satisfactory sense of identity. In the process, we may well hear painful home truths about our failings and we may be challenged to look beyond existing structures and rules. However, I believe that it is a journey that we all need to make if we are ever going to create alternatives to radicalisation and terror.

George Carey, who was the Archbishop of Canterbury back in 2000, said:

"I expect the Church of England one day to be disestablished."

[Mr. George Howarth]

To be fair, he was talking in the context of the reform of the second Chamber, but his comments also have resonance here. I believe that having an established church gives primacy to the Church of England, which in turn does a disservice to other denominations and faiths. Ours is a multicultural society with many faiths and many denominations. In my view, disestablishment would give the Church of England more freedom and, into the bargain, leave it stronger. It would also send out a clear signal that this country values the right of all to follow their faith.

Put simply, my argument is that the faiths in the Abrahamic tradition have more common basic values than values that divide them. In fairness, that is equally true of many other religions that are not in the Abrahamic tradition and it is also true of many of those who have no faith at all. The key is respect and parity of esteem.

I finish with the words of Rabbi Jonathan Sacks, who has said:

"We need Jews, Christians and Muslims prepared to bring together what the winds of globalisation are driving apart."

5.4 pm

The Minister of State, Foreign and Commonwealth Office (Mr. Ivan Lewis): I am often referred to as "the late Ivan Lewis", but I cannot be clear about whether I was late or early for this debate.

I am delighted to have the opportunity to respond to the debate. I thought that my right hon. Friend the Member for Knowsley, North and Sefton, East (Mr. Howarth) gave one of the most informative and interesting presentations that we have heard in Westminster Hall for a very long time. He has engaged in a debate that people are all too often afraid to engage with, and I hope that my response will do justice to his very thoughtful contribution.

May I also say that I am delighted that one of my very distinguished predecessors, my right hon. Friend the Member for Pontypridd (Dr. Howells), is in Westminster Hall? He served with distinction in many Government Departments, particularly in his role as Minister with responsibility for the middle east in the Foreign Office, and he will be a great loss to the House of Commons and to the parliamentary Labour party. He could probably respond to this debate more effectively than I can.

I will not announce today the disestablishment of the Church of England. Making such an announcement might not be an astute career move, and it could also be slightly above my pay grade. No doubt that debate will rage for some considerable time.

I want to begin by saying that we wholeheartedly endorse the view of my right hon. Friend the Member for Knowsley, North and Sefton, East about the common ground between the faiths of the Abrahamic tradition, and indeed between all those who share the values of a civilised society. The failed bombing over Detroit at Christmas reminds us that we face an unpredictable, global and evolving threat from terrorists. The universal condemnation of that terrible act by many Muslims throughout the world reminds us, as my right hon. Friend said, that increasing numbers of Muslims are willing to speak out against terrorism. The test of leadership, in any context, is the willingness to say difficult things to one's own constituency. Therefore, it is very important that an increasing number of leaders in the Muslim community are willing to condemn such terrorist attacks and to make it clear that they do not represent, in any way, the promotion of Muslim ideals or values. That is very encouraging, because all too often in this country we hear people who seek to legitimise and explain away such terrorist attacks, rather than facing up to the fact that there is no basis on which we can negotiate with terrorists who have no reasonable expectations, no reasonable agenda and no reasonable manifesto. Therefore, the ability and willingness of leaders to step up to the mark is important, particularly when that means saying difficult things to one's own constituents.

Violent extremism is a phenomenon that affects the whole world and it has resonance in the United Kingdom. Therefore, we must think and act both globally and locally. As our Prime Minister said recently:

"It is because we cannot win through a fortress Britain strategy—exclusively protecting our borders—that we have to take on extremists wherever they are based: in Afghanistan, Pakistan and all around the world, including here in Britain."

However, at the recent conference on Afghanistan, the Prime Minister also said:

"We must seek to win the war against terrorism not just on the battle ground but in the hearts and minds of the people."

That is very true of the approaches that we need to take, which I hope to discuss during my speech.

Countering the ideas underlying terrorism is a key element set out in the Prevent strand of Contest, which is our counter-terrorism strategy. That strategy gives clear direction to our objective to stop people becoming terrorists or supporting violent extremism at home and overseas. We need to undermine the ideologies used by terrorists to justify their actions. As my right hon. Friend said, many of those ideologies are based not on Islam, as practised peacefully by millions of people throughout the world, but on an extreme militant ideology that is sometimes described as Islamism. We need to highlight the damage that is done by this ideology and its terrorist exponents, including the damage that is done to the innocent Muslims whom, we should never forget, are the great majority of its victims, in places from Afghanistan to Somalia, and from Pakistan to the Sahel.

We are working to show this distorted ideology for what it is, to disrupt those who promote it and to support mainstream alternatives. We are helping to strengthen institutions, including religious and educational ones, against extremism. We support individuals who might be vulnerable to the message of extremism and we work to increase the resilience of communities against the extremist message. We also work to address the grievances that underlie individuals' decisions to turn to violence.

Two key enablers underpin that work. The first is a research programme to increase our understanding of violent extremism and to explore who is attracted to it and why. We have undertaken original research that has given us an unprecedented understanding of the scale of the challenge. The second enabler is an effort across Government to improve our communication, especially with the vulnerable communities that extremists seek to exploit.

Over the past two years, the scale and impact of our work to counter violent extremism have grown. In the UK, the infrastructure for delivering the Prevent strategy

at the national and local levels is established. The Prevent agenda is now part of day-to-day business for local government and all high-risk areas have specialist support. The programme of interventions is well-established and is beginning to show results. Just over 200 people have been through the police-led, multiagency Channel project. They have been referred mainly for non-law enforcement interventions, such as mentoring and pastoral support. None have so far gone on to commit a serious offence.

We have developed methods for sharing information on radicalisation with those involved in countering it more widely than has traditionally been the case. We are working with leading theologians and scholars to help to contextualise Islam in Britain. We have built support among communities. Community groups and individuals have become more engaged in Prevent and are more confident in standing up publicly against violent extremism.

In response to my right hon. Friend's point about the separation or ghettoisation of communities, we often get mixed up in debates on these matters between the words "integration" and "assimilation", but the two are very different. Of course people should be proud of their religion, faith and culture. They should be allowed to celebrate and pursue their religious and cultural beliefs freely within the law. Equally, surely people who are secure in their faith, identity and culture should be supported and enabled to integrate with people from different cultures and faiths who make up the community. That is not assimilation, which seeks to make everyone the same, but integration, which we should not be neutral about if we want to create the sort of cohesive society that is becoming increasingly important at the beginning of the 21st century.

Mr. George Howarth: If I gave the impression that I was arguing for assimilation, I make it clear that that was not the case I was making.

Mr. Lewis: My right hon. Friend certainly did not give that impression. However, integration and assimilation are often mixed up in the debate. When integration is urged, people become defensive because the language used can suggest something very different. It is important that we are not woolly in our thinking or our language on this issue, and he was not in his speech.

Overseas, we are concentrating our work in the countries and regions that pose the most significant threat to the UK and our direct interests, which include Pakistan, Afghanistan, Yemen and Somalia. Our counter-terrorism spending has increased in each of the past three years and we plan to increase it again in the next financial year, despite the financial pressures of which Members are aware.

Through our counter-terrorism programme, we have supported more than 260 projects in Muslim-majority countries. We have worked with partners to strengthen mainstream religious foundations and civil society; on educational reform; to promote legal and human rights; against corruption; to strengthen parliamentary processes and support democracy; and on youth employment. Much of that work is in dangerous and sensitive areas.

I am sure that hon. Members will understand that we cannot always reveal great detail without risking the safety of those with whom we work, but perhaps some practical examples will help to show the nature of the work in which we are engaged. We have helped to develop the understanding of campus radicalisation among the university authorities in Pakistan. We have worked with a major centre of Islamic learning in the middle east on the training of British and foreign imams. We have taken groups of distinguished British Muslims to countries as diverse as Somaliland, Iran and Afghanistan to break down and dismantle al-Qaeda's claim that the west and Islam are incompatible. In the programme led by my right hon. Friend the Foreign Secretary, Ministers such as myself, supported by senior officials, have taken part in a systematic programme of outreach to discuss foreign policy with a wide range of British communities.

Our programme overseas is complemented by the work of the Department for International Development, which addresses the long-term factors that can make communities vulnerable to radicalisation. We work closely with the British Council, which delivers some of our most innovative work overseas. Like my right hon. Friend, I pay tribute to the Tony Blair Faith Foundation, which is doing a tremendous job in many parts of the world to build bridges and break down barriers between different religions.

In all this work, measuring effect is crucial, so we have developed a rigorous system to assess the impact of our interventions on resilience to radicalisation in priority countries. That allows us to adjust our programmes to ensure that we reflect the changing nature of the threat and deliver value for money for the taxpayer. Countering violent extremism is a new area of activity for the Government and the agenda remains challenging. However, I am confident of two things: first, that the threat is real and persistent, and that the key to long-term success lies as much in defeating extremists in the battle of ideas, as I said earlier, as in arrests or increased security; and, secondly, that we are making progress across Government in our efforts to make a reality of our ambition of countering violent extremism.

I congratulate my right hon. Friend on initiating such an important debate and I hope we will have more debates of such quality.

Sir Nicholas Winterton (in the Chair): This has been a most fascinating debate. I think we are all a little wiser as a result of the speech about terrorism and Islam made by the right hon. Member for Knowsley, North and Sefton, East and the Minister's reply.

Question put and agreed to.

5.17 pm

Sitting adjourned.